

Reserve Bank of India

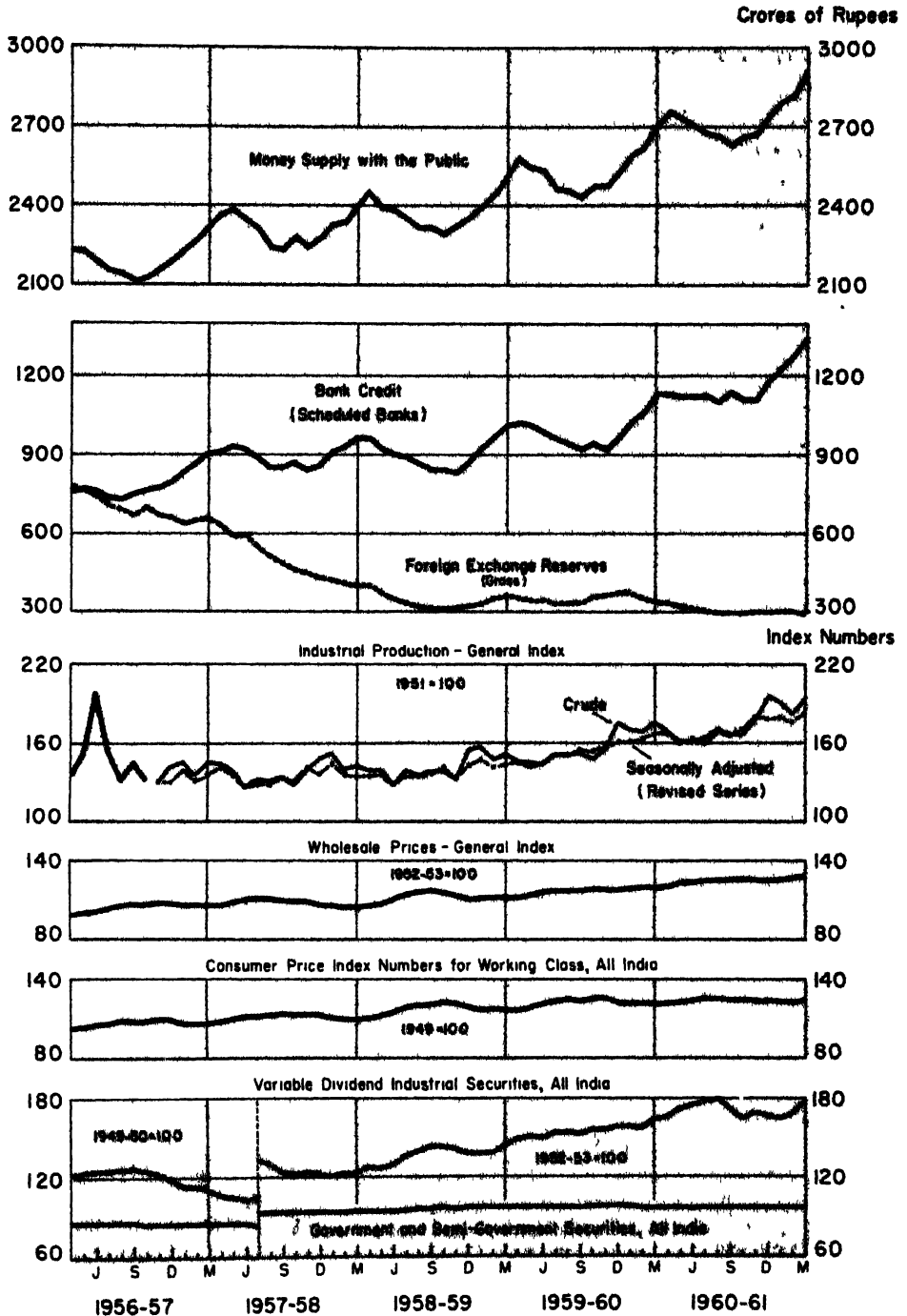
REPORT ON CURRENCY AND FINANCE

**FOR THE YEAR
1960-61**

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GRAPH 1

SELECTED ECONOMIC INDICATORS



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INTRODUCTION

General.—The highlights of the Indian economy during 1960-61, the final year of the Second Five Year Plan, were a striking advance in industrial production, an improvement in agricultural output specially foodgrains, which was expected to surpass the previous record reached in 1958-59, and a rise in aggregate investment. National income, which had risen by less than 1 per cent in 1959-60, is expected to show a substantial rise in 1960-61. On the other hand, there was a further deterioration in the price level and the balance of payments. The continuing insufficiency of resources relatively to demand by way of investment and consumption underlined the paramount need for an all-out effort aimed at ensuring further sustained increases in production and savings as well as in exports. In the monetary sphere, there was a further sharp rise in both money supply and bank credit, the pressure of which resulted in lifting the general price level higher still. Boom conditions were witnessed in the stock and capital markets and activity in the new issue market was on an unusual scale; the investment market on the whole remained in good shape. It became clear, as the year progressed, that the credit restraint measures, including the impounding of reserves, initiated in March 1960 and reinforced in May, were inadequate to moderate the credit expansion and, accordingly, the Bank introduced in September 1960 a new set of credit measures including (i) slab rates to discourage banks' easy access to Reserve Bank credit and (ii) a directive to banks to increase their lending rates so as to ensure that the higher cost of borrowing from the Reserve Bank was transmitted to the ultimate borrower.

The year witnessed a further impressive rise in industrial production, the rate of growth being as high as 12·1 per cent during 1960 as compared to a rise of 8·7 per cent in 1959; in 1958 and 1957, the index of production had moved up by only 1·7 per cent and 3·5 per cent, respectively. The capital goods and intermediate products industries contributed significantly to the rise in industrial output during 1960; the consumer goods industries also showed rises though of smaller dimensions. Indicative of the growing tempo of industrial activity, the consumption of electric energy—the bulk of which (about two-thirds) is accounted for by industry—showed a further rise of 14 per cent in 1960-61. The increase in industrial output was considerably facilitated by the high priority accorded by Government for import of essential raw materials, which enabled fuller utilization of existing capacity in a number of units. The main problem faced by industry continued to be one of rising raw material costs and labour charges. Since the turn of the year 1960, production in some of the industries, including steel, has been affected by coal and power shortages, mainly on account of transport bottle-necks.

The tempo of development activity would appear to have been further stepped up during the final year of the Second Five Year Plan both in the public and private sectors. Total Plan outlay in the public sector is estimated to have risen from Rs. 1006 crores in 1959-60 to Rs. 1100 crores in 1960-61. From the available figures

strengthen the institutional machinery for credit to agriculture and industry as well as to consolidate and strengthen the banking system. During the year, the financial assistance provided by the Reserve Bank to the co-operative sector showed a further increase. A significant development affecting co-operative credit was the formulation, by the Government of India, of certain important policy decisions relating, *inter alia*, to (i) the size of co-operative societies from the point of viability and (ii) ways and means of strengthening the resources of the co-operative structure, on the basis of the recommendations contained in the Report submitted in May 1960 by the Committee on Co-operative Credit. In the field of industrial finance, legislation was enacted to enlarge and diversify the assistance provided by the Industrial Finance Corporation, while the scheme of refinance of the Refinance Corporation was liberalised in regard to its scope as well as the terms and conditions governing the scheme. There was a substantial increase in the activities of the various specialised financial institutions including the IFC, and the Refinance Corporation. As regards finance for small-scale industries, the Government of India Scheme for guaranteeing advances to small-scale industries (referred to in last Report), which was initially introduced in 22 districts in July 1960, was extended in January 1961 to 4 more districts. In June 1961, the Scheme was further extended to cover 26 more districts and some relaxations were made in the conditions for guarantee. In the field of banking legislation, the Banking Companies Act was amended to facilitate, among other things, (i) expeditious payments to the depositors of banks in liquidation and (ii) reconstruction or amalgamation of weaker banks with other units. Mention may also be made here of the decision taken by the Government of India to set up an autonomous corporation for insuring bank deposits.

The following chapters contain a detailed review of the trends and developments in the various sectors of the Indian economy during 1960-61 and, as a background to these, a brief review of the economic and monetary developments abroad during 1960 is attempted in the paragraphs below.

Economic Developments Abroad

World economy in 1960 was marked by a further expansion in both trade and industrial output, and further progress in the direction of freer trade and payments. The value of world trade recorded a significant rise of 11 per cent in 1960. U.S. exports of goods reached a new record level although imports were somewhat smaller than in 1959, reflecting the mild domestic recession. Despite a large surplus on goods and services account, the U.S. balance of payments showed a large overall deficit in 1960 for the third year in succession, mainly as a result of an increased outflow of short-term funds. Gold losses of the U.S.A. during the year were considerable, particularly in the second half of the year. The West European countries, on the other hand, added substantially to their reserves. The payments position of the primary producing countries deteriorated due mainly to a decline in their export earnings consequent on the decline in their export prices. Industrial output in most of the countries continued to rise, although the rate of increase tapered off during the latter half

of the year due to a slowing down in economic activity in the U.S.A. and Canada. The general expansionary forces necessitated the continuance of a policy of stringent credit controls by a majority of the leading countries during the greater part of the year, the controls thus operated in industrial countries aiming mainly at restraining their booming economies and those adopted in primary producing countries aiming at correcting their adverse balance of payments position. The U.S.A., however, faced with a domestic business recession and a continued balance of payments deficit, shifted from a policy of positive restraint to one of ease, allowing its gold stocks to absorb the strains on its balance of payments. The divergent monetary policies followed by the U.S.A. and West European countries, which increased the interest rate differential, contributed to a large-scale short-term capital movement from the U.S.A. to West Europe, particularly to West Germany, and this presented a major problem to the monetary authorities. Thus, the policy of ease followed by the U.S.A. was impaired by the outflow of short-term funds while, in Germany, the higher interest rates imposed to restrain domestic inflationary pressures attracted inflow of short-term funds adding to internal liquidity. Towards the close of the year, with a view to reducing the strain on the international payments position caused by the flow of short-term funds, both the U.K. and West Germany reduced their interest rates. Mention may also be made here of an agreement arrived at by eight leading European central banks in March 1961 with a view to ensuring that if a "hot" money movement out of a particular currency went too far, central banks receiving that currency would hold agreed amounts of it and not convert them for the time being into gold or convertible currencies.

Industrial output continued to expand during the year in a majority of the leading countries of the world mainly supported by a vigorous investment boom, and although the rapid rate of the rise of the earlier months tended to taper off during the latter half, the rate of growth in 1960 exceeded that in the preceding year. Notable exceptions to the general trend were the U.S.A. and Canada where the rate of expansion slowed down early in the year. In the U.S.A., in fact, the slow-down turned into a mild recession in the second half. For the year as a whole, industrial output in the U.S.A. rose by 2.6 per cent which was, however, much lower than the rise of 13.7 per cent in 1959. In Canada also, for the year as a whole, industrial production rose only by 1.6 per cent as against a rise of 8.5 per cent in 1959. In the U.K., industrial output rose by 6.7 per cent on top of a rise of 6.2 per cent in 1959. In West Germany, due mainly to the continuation of the excess demand that characterised the economy since the second half of 1959, industrial output expanded further by 11.1 per cent on top of a rise of 7.3 per cent in 1959. In Japan, the striking expansion of 23.8 per cent in industrial output in 1959 was followed by a still higher rise of 25.5 per cent. In India too, industrial production showed a further marked rise of 12.1 per cent on top of a rise of 8.7 per cent in 1959 and 1.7 per cent in 1958.

Notwithstanding the high rate of industrial growth, accompanied by wage increases, prices continued to be generally stable throughout 1960. The continuation of relative price stability was in part attributable to further declines in the prices of imported raw materials and, in many cases, to the substantial gains in productivity.

In the U.S.A., the gradual weakening of demand during the year led to significant declines in the prices of many industrial intermediate and finished goods. This was, however, more than offset by a substantial rise in food prices, attributable in part to adverse weather conditions. The index of wholesale prices (base: 1953 = 100) stood around 109, as in the preceding year. In Canada also, the index of wholesale prices showed no net change over the year. In Japan, the rise in the index of wholesale prices during 1960 was smaller, being only 1.0 per cent as against 4.1 per cent in 1959. In the U.K., however, prices of industrial output, which had remained unchanged in 1959, showed a rise of 1.8 per cent. In West Germany, too, the general price level, which had remained stable in 1959, recorded a rise of 1.9 per cent in 1960. In India, the rise in prices during 1960 at 6.2 per cent was somewhat less marked than in 1959 (7.6 per cent). In contrast to the relative stability in the general level of prices, consumer prices recorded a rise in 1960 in most countries excepting a few like West Germany, Netherlands and India, where they showed little or no change. In the U.S.A., the rise was 1.8 per cent as against 0.9 per cent in 1959. In the U.K., consumer prices rose by 2.5 per cent as compared to stable prices in 1959. In Canada, consumer prices rose by 1.8 per cent on top of a rise of 0.9 per cent in 1959. In Japan also, consumer prices rose by 3.6 per cent as against 0.9 per cent in 1959. In West Germany and the Netherlands, consumer prices ruled steady over 1960 as compared with increases of 3.6 per cent and 1.7 per cent, respectively, in 1959. In India, too, the cost of living index showed no change over the year in contrast to a rise of 3.5 per cent noticed in the preceding year.

Prices of internationally traded commodities suffered a further setback during 1960. Moody's index (base: December 31, 1931 = 100) of world commodity prices, which had dropped from 389.2 to 375.8 in 1959, moved up initially to 381.9 by the end of March 1960, due mainly to seasonal factors, but thereafter declined continuously to touch a post-Korean low of 353.3 by November 21, before closing for the year at 356.4. The decline over the year at 5.2 per cent was more marked as compared to 3.5 per cent in 1959 and 0.6 per cent in 1958. The downward movement in prices was shared by a majority of industrial raw materials, reflecting on the one hand the mounting pressure of supplies and on the other the progress of a major destocking movement in the U.S.A. following a recession in that country and of a more moderate one in a number of other countries. Commodity-wise, prices of copper, lead, zinc, rubber, wool and cocoa recorded declines, while those of tin and jute showed increases. Among metals, copper prices fell throughout the year, due to production exceeding consumption in spite of self-imposed cuts in output. In the case of zinc and lead also, prices tended to fall. The rise in tin prices was mainly due to short supply, partly ascribed to political difficulties in the Congo. Among fibres, the decline in wool prices was due not so much to over-supply conditions but to a fall in demand since the middle of 1960. Jute prices evinced a sharp rise due to a lower jute crop coupled with speculative withholdings from the market. The price of natural rubber, which had risen early in 1960 to a level not justified by the longer term statistical position, fell steadily from June, mainly due to releases from the U.S.A. and U.K. stockpiles. Cocoa prices, which had declined sharply in late 1959 and early

1960, remained steady from March until October 1960 but subsequently slumped as the Ghanaian crop turned out to be much higher than expected.

The international payments position during 1960 was notable for the large balance of payments deficit of the United States, a further strengthening of the reserves of a few industrial countries, notably West Germany and a deterioration in the payments position of primary producing countries. The large and persistent flow of reserves to continental Western Europe generally, called attention to the need for correcting a state of 'fundamental disequilibrium' in international payments. Also, the continued balance of payments difficulties of the United States focussed attention on the problems arising from the use of national currencies like dollars and sterling as international reserves. In the light of these developments, therefore, the problem of devising new means for augmenting international liquidity so as to allow the continued and orderly growth of world trade received considerable attention during the year.

The U.S. balance of payments showed an overall deficit in 1960, as in the preceding year, despite a surplus on goods and services account. Thus, United States' exports of goods reached \$ 19.4 billion in 1960 compared to \$ 16.3 billion in 1959 and were above the peak reached in 1957. Imports, on the other hand, at \$ 14.7 billion were lower by \$ 572 million over the previous year partly reflecting the slower pace of domestic economic activity. The balance on goods and services (excluding military exports) in the result, showed a large surplus of \$ 4.0 billion compared to a surplus of \$ 172 million in 1959. This surplus was, however, more than offset by the total of net capital outflows, government grants and other payments abroad. A substantial part of the capital outflow, especially in the second half of 1960, was accounted for by the movement of short-term capital due to the wide gap in interest rates between the United States and other principal financial centres and speculative factors reflecting some loss of confidence in the dollar. In consequence, the overall deficit in the U.S. balance of payments as measured by increases in foreign gold and dollar assets amounted to \$ 4.1 billion in 1960 compared to \$ 3.1 billion in 1959, if the U.S. subscription to the IMF in 1959 is excluded. The rise in the overall deficit in the latter part of 1960 was accompanied by a heavy outflow of gold which rose from only \$ 144 million in the first two quarters to \$ 637 million in the third quarter and \$ 921 million in the fourth. The abnormal loss in the fourth quarter which was accompanied by a short-lived speculative flurry in the London gold market that raised the price of gold substantially above the U.S. Treasury's price was largely the result of speculations about a possible devaluation of the U.S. dollar. The gold drain continued into the first two months of 1961, but following the firm declaration by the President of the United States that the value of the dollar will be maintained, there was a reversal of the position resulting in some increase in U.S. gold holdings.

On the other hand, in West Germany, the Bundesbank's gold and foreign exchange holdings in 1960 showed a huge increase of \$ 2.2 billion after having declined in 1959. A major element contributing to this accretion to reserves was the very large German trade surplus which was as high as \$ 1.3 billion in 1960. Added to this there was a very large inflow of foreign short-term funds. Part of the inflow represented

repatriation of foreign short-term assets by German commercial banks and short-term borrowing abroad by banks and business firms, both induced by an attempted tightening of domestic credit conditions. A large part of the inflow also reflected probably speculation on the possibility of a revaluation of the Deutsche Mark. Subsequently, the German Government announced the revaluation of the Deutsche Mark by 5 per cent., effective March 5, 1961.

Turning to other continental Western European countries, most of them showed substantial accretions to their foreign exchange reserves; at least part of their gain was accounted for by inflow of foreign short-term funds. Thus, in France, the gold and foreign exchange reserves increased by \$ 350 million in 1960 and by another \$ 707 million in the first half of 1961. In the Netherlands, the reserves showed a rise of about \$ 400 million in 1960, and that country also followed the German example and revalued its currency by about 5 per cent effective March 7, 1961. In Switzerland, the rise in reserves in 1960 amounted to \$ 262 million, largely because of the inflow of speculative funds. The inflow continued in 1961 as reflected in the rise in Swiss reserves by \$ 272 million in the first half of the year.

Sterling area's gold and convertible currency reserves rose by £ 177 million to reach £ 1,154 million at the end of December 1960. In 1959, the reserves had declined by £ 119 million, but in that year there was the repayment of £ 89 million to the Export-Import Bank and the additional gold subscription of £ 58 million to the IMF, as well as a repurchase of £ 71 million from the IMF. The rise in reserves in 1960, despite an unsatisfactory out-turn on current account, was mainly due to the large inflow of funds from abroad with a view to taking advantage of the interest rate differential between New York and London. The reserves also benefited to the extent of £ 131 million as a result of purchase of sterling by a U.S. business corporation for acquiring the minority interests in its U.K. subsidiary. The U.K., at the same time, repurchased in advance £ 110 million from the Fund to complete the repayment of its 1956 drawing. Further, the U.K. also made a voluntary repurchase of £ 17 million in December which reduced the Fund's holdings of sterling to 75 per cent of U.K.'s quota in the Fund. However, since February 1961, the reserves have tended to decline, the total decline up to the end of July 1961 being £ 278 million. On current account, the U.K.'s payments position deteriorated further in 1960. On visible trade, 1960 showed a deficit of £ 366 million, compared to a deficit of £ 69 million in 1959. Imports rose by £ 499 million during the year, while exports increased by only £ 202 million. The invisible account also showed a deterioration, with a surplus of only £ 22 million compared to £ 120 million in 1959. The current account in the result, showed a deficit of £ 344 million compared to a surplus of £ 51 million in 1959. With the non-sterling world, the U.K.'s position worsened by over £ 400 million during 1960, the current account deficit in 1960 being £ 644 million as against the 1959 deficit of £ 215 million. The rest of sterling area's (RSA) balance of payments with the non-sterling world also showed a considerable deterioration largely due to the deterioration in the prices of primary products during the latter half of the year. The current account balance of RSA with the non-sterling world turned from a surplus of £ 61 million in 1959 to a deficit of £ 399 million in 1960. The deficit

had to be covered by foreign aid and by drawing down the sterling holdings of RSA countries which declined by £ 224 million in 1960.

Despite an increase in world trade and production, there was a deterioration in the payments position of many primary producing countries, especially in the second half of the year. The recessionary tendencies which developed in the U.S. economy and the slackening off of the boom in Western Europe tended to drag down the prices of primary products, especially industrial raw materials. In the result, the export earnings of the primary producing countries fell sharply in the last two quarters. The imports of these countries, on the other hand, being related in many cases to the implementation of development plans remained at high levels. The resulting balance of payments deficits had to be met through external assistance and some drawing down of reserves. For instance in Australia, mainly due to a marked deterioration in the current account, gold and overseas balances held by the Reserve Bank of Australia declined during the year by £ A140 million to £ A322 million. In New Zealand also, there was a decline in net foreign assets of £ NZ 21·6 million as compared to an increase of £ NZ 32·5 million in 1959.

During the year further progress was made in the direction of a freer system of world payments. This culminated in the decision taken on February 15, 1961 by ten member countries of the I.M.F., viz., Belgium, France, West Germany, Ireland, Italy, Luxembourg, the Netherlands, Peru, Sweden and the U.K. to accept the full obligations of convertibility for their currencies as set forth in Article VIII of the Fund Agreement. Another member, Saudi Arabia, followed suit soon afterwards. These countries had previously availed themselves of Article XIV of the Agreement under which members are permitted to maintain and adapt exchange restrictions without obtaining the prior approval of the Fund. Article VIII on the other hand, requires those members which are subject to its provisions to avoid restrictions on current payments, multiple exchange rates and discriminatory practices. If these countries were again to resort to such measures, they would have to consult with the Fund and obtain its prior approval. It may be recalled that ten other countries, viz., U.S., Canada, Cuba, Dominican Republic, El Salvador, Guatemala, Mexico, Haiti, Honduras and Panama had already accepted the obligations of Article VIII and now, practically all currencies, used in financing international trade and payments, are convertible under Article VIII.

An important development in the field of international economic co-operation during 1960 was the commencement of operations of the International Development Association (IDA) when its Board of Executive Directors met on November 8, 1960. The IDA functions as an affiliate of the World Bank and the President of the Bank is the new Agency's ex-officio President and Chairman of its Board of Executive Directors. As mentioned in last year's Report, the IDA would supplement the work of the World Bank by making available to the developing countries long-term low interest bearing loans which may be repayable in local currency. As of June 30, 1961, 51 countries including India had accepted membership of the IDA. The U.S.A., the U.K. and Germany are the three major countries contributing \$ 320·29 million, \$ 131·14 million and \$ 52·96 million, respectively, to the

Association's initial capital of \$ 1 billion. India's subscription to the Association is \$ 40·35 million, of which 10 per cent will be payable in gold or freely convertible currencies and the balance in rupees.

Some of the regional economic integration plans, referred to in last year's Report, made further progress during the year under review. In the European Economic Community, an acceleration plan to shorten the Community's transition period, which according to the Rome Treaty was to last for twelve years, was finalised. One of the effects of that plan is that tariffs within the Community would come down by 40 per cent by the end of 1961—i.e. by 10 per cent more than originally planned. The other regional group in Europe viz. the European Free Trade Association has also accelerated its internal tariff cut plan.

In the monetary sphere, except notably in the U.S.A., the policy of credit restraint in operation since the latter part of 1959 was generally continued during the major part of 1960 in most of the countries. In the major Western European countries, the credit restraints were designed to check their booming economies, while in a number of primary producing countries, the main object was to overcome their deficits in balance of payments arising partly from adverse movement in their terms of trade. In the U.S.A., where the authorities were confronted with conflicting objectives of correcting a domestic business recession on the one hand and a continued balance of payments deficit on the other, there was a shift from a policy of restraint to one of ease, aimed at tackling the recession at home while allowing the strains in its balance of payments to be largely absorbed by its ample gold stocks. These divergent monetary policies led to a widening of the interest rate gap between the U.S.A. and the West European countries and an efflux of 'hot money' from the U.S.A. into West Europe. In the last quarter of 1960, however, discount rates were reduced by a number of countries, the action thus taken (i) by the U.K. and West Germany being intended to reduce the pull of their financial markets on foreign short-term funds and (ii) by some other countries like France and Japan to facilitate domestic economic expansion. It may be noted that the reduction in interest rates was made in the U.K., despite the continuing deficit in balance of payments on current and long-term capital account, and in Germany despite persistent boom conditions.

During the first eight months of 1960, as many as 13 central banks viz. those of U.K., West Germany, Sweden, Austria, Belgium, Denmark, Cuba, Ceylon, El Salvador, Iceland, Ireland, South Africa and Rhodesia and Nyasaland raised their discount rates, while four central banks viz., those of the U.S.A., Spain, Japan and the Philippines, lowered their rates. In addition, in a number of countries, resort was also had to supplementary instruments of credit control. In the U.K., the Bank rate was raised from 4 to 5 per cent in January and further to 6 per cent in June to discourage home demand and to bolster up the foreign exchange reserves. On April 28, the monetary authorities also made an 'initial call, for a 'special deposit' of one per cent of each of the London clearing banks' total deposits (1/2 per cent for Scottish banks) to be made with the Bank of England by June 15. At the same time, hire-purchase regulations were tightened by laying down a 20 per cent down

payment and a two-year repayment for the hire-purchase of a wide range of consumer goods. With a view to forestalling a further growth of bank liquidity, the authorities announced on June 23, a further call of 1 per cent in the case of the London clearing banks (1/2 per cent in the case of Scottish banks) with one half of the deposits to be made by July 20 and the balance by August 17. In *West Germany*, the discount rate was stepped up on June 3 from 4 to 5 per cent with a view to checking the boom in the economy. Also, the minimum reserve requirements of commercial banks were raised in three stages in January, March and June and their rediscount quotas lowered in two stages in March and July. Reserve ratios were also applied, effective July 1, in respect of additions to internal liabilities of commercial banks over the average level for the three months, March to May 1960. The *Swedish* Bank rate was raised by 1/2 per cent to 5 per cent on January 15 in an effort to moderate economic activity. Further, from the end of February, the commercial banks' minimum liquidity ratios were raised by 5 percentage points from 40 to 45 per cent in the case of the largest banks and from 30 to 35 per cent in the case of other banks. The *Austrian* National Bank raised its official discount rate from 4-1/2 per cent to 5 per cent effective March 17; the minimum reserve requirements were also stepped up with a view to checking the rising liquidity of banks. To stem the outflow of capital, the *Belgian* Bank rate was put up by one per cent to 5 per cent on August 4 and the *South African* Bank rate was stepped up by 1/2 per cent to 4.5 per cent on August 10. The National Bank of *Denmark* raised its discount rate on January 25, from 5 per cent to 5.5 per cent in order to restrain the drain on foreign exchange reserves. In *Ireland*, the Bank rate was raised from 4.25 per cent to 4.75 per cent in January and further to 5.5 per cent in July 1960. In *Ceylon*, effective August 13, the Central Bank raised its discount rate from 2.5 per cent to 4 per cent in order to counteract the continuing balance of payments deficit. The Bank of *Rhodesia and Nyasaland* raised its discount rate from 4-1/2 per cent to 5 per cent on August 3 following the rise in the overdraft rates of commercial banks due to heavy outflow of funds.

In contrast to these widespread moves towards credit restraint, the *U.S.* Authorities, in an attempt to halt the recession reduced the discount rate from 4 per cent to 3-1/2 per cent early in June and further to 3 per cent in August. Effective July 28, the stock margin requirements were also reduced to 70 per cent from 90 per cent at which level they had stood since October 1958. Later, the Federal Reserve, in effect, relaxed the reserve requirements of member banks in two stages in August and in November by enabling them to count all their vault cash as part of their reserve requirements. Effective December 1, reserve requirements on demand deposits for Central Reserve City banks were reduced from 17-1/2 per cent to 16-1/2 per cent—the rate applicable to Reserve City banks. Mention may also be made here of the decision taken by the Federal Reserve on February 20, 1961 to extend its open market operations from short-term bills to long-term government securities with a view to preventing a further fall of short-term rates and thus curb the flight of U.S. dollars to foreign financial centres. In *Spain*, to counteract the symptoms of slackness in the economy, the Bank rate was reduced from 5.0 per cent to 4.6 per cent on April 11, 1960. The Central Bank of *Japan* reduced its basic discount

rate from 7.3 per cent to 6.94 per cent in August and again in January 1961 to 6.57 per cent. The reduction in the Bank rate in the *Philippines* from 6.5 per cent to 6 per cent on May 31, 1960 was part of a long-term policy of credit relaxation.

The second phase of monetary policy beginning from about September was generally one of ease designed either to realign the interest rates with those in other financial centres or to promote further expansion at home. As many as eight countries viz., U.K., France, West Germany, Greece, Philippines, Iceland, Ireland and Japan, lowered their Bank rates. In the U.K., the Bank rate was reduced from 6 per cent to 5.5 per cent on October 27 and further to 5 per cent on December 8, in order to curb the inflow of short-term capital from abroad. The Government also liberalised its controls over instalment credit for automobiles and a wide range of other consumer durables by lengthening the maximum repayment period to three years, effective January 19, 1961. In *West Germany*, the Bank rate was reduced in two stages first from 5 per cent to 4 per cent on November 11, 1960 and again to 3-1/2 per cent on January 20, 1961, in order to discourage the inflow of foreign funds. At the same time, minimum reserve requirements in respect of the increase in deposits were abolished in December 1960 and, effective February 1, 1961, the minimum reserve ratios in respect of liabilities to residents were reduced by 5 per cent. In *France*, the Bank rate was cut from 4 per cent to 3.5 per cent on October 6, with a view to stimulating private investment and sustain the growth in industrial production. Simultaneously, the National Credit Council extended the maximum period of repayment in respect of instalment purchases from 18 months to 21 months for household appliances and from 21 months to 24 months for new automobiles. In *Greece* and the *Philippines*, as part of the long-term policy of ease, Bank rates were lowered; in the former from 7 per cent to 6 per cent on November 1 and in the latter from 6 per cent to 5 $\frac{3}{4}$ per cent in September and again to 5 per cent in November. The Bank rate in *Ireland* was reduced from 5.50 per cent to 5.31 per cent on November 2 and the Central Bank of *Iceland* reduced its rate from 11 per cent to 9 per cent in December.

Contrary to the general trend during this period, credit restraint measures were imposed or tightened in some countries like New Zealand, Australia and Ceylon. Thus the Reserve Bank of *New Zealand* raised its discount rate from 6 per cent to 7 per cent on March 23, 1961 to check the rise in bank advances which was contributing to inflation and to excessive imports. The Reserve Bank of *Australia*, faced with a payments imbalance, raised the maximum rates on deposits and advances of banks effective November 15 and asked the commercial banks to reduce their advances especially to importers, speculators and hire-purchase finance companies. To reduce the drain on Ceylon's external assets, the Central Bank of *Ceylon* required the commercial banks, effective February 10, 1961, to deposit with it 38 per cent of the increase in demand deposits over the level of February 1, 1961.

Reflecting the impact of the credit restraint measures in operation during the greater part of 1960, commercial bank credit recorded relatively smaller rises in

most of the countries. Thus, in the U.K. the London clearing banks' advances rose by 17·8 per cent as compared to a rise of 32·5 per cent in 1959. In Sweden, commercial bank credit to the private sector rose by only 7 per cent as against 14 per cent in 1959. In the U.S.A., bank credit rose by only 6·1 per cent as against a rise of 12·8 per cent in 1959, reflecting in part the weakening in business spending and in part a shift from banks to the open market due to the differential in the cost of funds obtainable by borrowing from banks and, by selling open market paper or liquidating Government security holdings. In Canada too, the rise was lower, being 7·0 per cent as against 13·6 per cent in 1959. In West Germany, however, loans of commercial banks to business and private customers rose by 15 per cent, the same as in 1959. In France, bank credit rose by 15·3 per cent on top of a rise of 10·5 per cent in 1959. In India too, bank credit recorded a larger rise of 21·5 per cent as compared to a rise of 11 per cent in 1959. As regards money supply, in the U.K., it rose only by less than one per cent as against a rise of 5·7 per cent in 1959. In the U.S.A., money supply showed no net change over the year. In West Germany, the growth of money supply slowed down, the rise in 1960 being 6·8 per cent as compared to 11·7 per cent in 1959. In India, money supply rose faster than in 1959, the rate of rise increasing from 7·2 per cent to 8·8 per cent.

In the fiscal sphere, the policies adopted were generally in tune with the monetary policies pursued in different countries. As most of the countries pursued stringent money policies for the major part of the year, fiscal policies were designed to achieve surplus budgets or reduced deficits. In the U.K., as part of a policy of general restraint, the budget introduced in April 1960 provided for a sizeable surplus above the line and a net increase, though small, in taxation; the budget for 1961-62 provided for a larger surplus than in 1960-61 and also for larger indirect taxation in addition to raising the profits tax. Among the continental European countries, Belgium presented in November a balanced budget, relying on increased taxation and reduced expenditure. Sweden presented in January 1961, a surplus budget for fiscal year 1961. The Netherlands' budget presented in September 1960 provided for a smaller deficit in 1961, to be covered by market borrowings; earlier as an anti-inflationary measure, the deduction for allowance on investments for purposes of taxation, which was so far granted to the extent of 8 per cent a year, was reduced to 5 per cent a year. Among primary producing countries, in Australia, the budget presented in August 1960, provided for a surplus by resorting to additional taxation and withdrawal of certain rebates. In November, in a further bid to counter the inflationary pressures in the economy, among other measures, sales tax on cars was revised upwards from 30 per cent to 40 per cent.

In the U.S.A., in consonance with the shift to easy money policy in the second half of the year, the revised budget for 1960-61 presented in March 1961 provided for a deficit of \$2·2 billion as against a surplus of \$4·2 billion originally estimated. For the fiscal year 1961-62, a larger deficit of \$2·8 billion is estimated. In Canada, a supplementary budget was presented in December revising the earlier estimates and introducing important proposals for income-tax changes, with a view to dealing with the distinct weakness in the economy as well as to encourage greater domestic initiative in Canada's long-term development. The revised forecast for the fiscal

year ending in March 1961 was a deficit of about \$ 300 million as against a surplus of \$ 12 million envisaged initially. Among other changes introduced, mention may be made of (i) raising of the income limit for corporations from \$ 25,000 to \$ 35,000 for the lower tax rate of 21 per cent, (ii) authorizing accelerated depreciation allowances on the first year investment of industries introducing new products, undertaking new processing methods or pioneering in depressed areas, (iii) abolition of the 4 per cent surtax on income of Canadians from domestic investments and (iv) withdrawal of tax concessions in respect of new foreign investment in Canada.

II. PRODUCTION

Agricultural Production

General.—An important development in the sphere of agricultural production during 1960-61 was the launching of an intensive agricultural district programme, popularly known as the “Package Programme” designed to achieve an immediate increase in food production in agriculturally favourable areas by demonstrating the most effective ways of increasing production through intensive use of human and material resources. The phased programme, which was formulated on the basis of the recommendations of the Agricultural Production Team sponsored by the Ford Foundation, is to be spread over a period of five years beginning from 1960-61. Under this programme, an intensive effort would be made to approach farmers through co-operatives and panchayats with a view to promoting the adoption of a minimum combination of improved practices by making available credit, seeds, manures, etc. About 20 per cent of the cultivators in the districts covered by the scheme are expected to participate in the programme in the first year and the proportion is expected to gradually rise to 65 per cent in the fifth and final year. During the year, the programme was initiated in one district each in seven States, viz., Andhra Pradesh, Bihar, Uttar Pradesh, the Punjab, Rajasthan, Madhya Pradesh and Madras. It is proposed to extend the programme to one district each in the remaining eight States as well.

Measures for the extension of the Japanese method of paddy cultivation were continued during the year and the Second Five Year Plan target of bringing about 8 million acres under this method was expected to be achieved. The programme for establishment of seed multiplication farms also made appreciable progress during the year. About 4,000 farms were expected to be set up by the end of 1960-61 as against the target of 4,328. The production of manures and fertilizers also continued to receive close attention. The production of urban compost manure was expected to rise from 24 lakh tons in 1959-60 to 27 lakh tons in 1960-61. Programmes for larger and better utilization of local manurial resources which were being implemented in 1,473 National Extension Service and Community Development Blocks, made further progress during the year. Among other schemes for developing local manurial resources, the programme of encouraging green manuring of crops, which made rapid headway in a number of States, merits particular mention.

Trends in Production.—Agricultural production, which had touched an all-time high in 1958-59, showed a decline during 1959-60, the index number of agricultural production (base: 1949-50 = 100) moving down to 127·2 from the previous year's level of 132·3, thus registering a decline of 3·9 per cent. It was, however, higher by 2·6 per cent as compared to the earlier record of 124·0 touched in 1956-57. The decline in agricultural production during the year was shared by both foodgrains and non-foodgrains, the indices of which dropped by 4·5 per cent and 2·6 per cent, respectively. The table below sets out the production of important agricultural commodities during the years 1958-59 and 1959-60 as well as the targets of production for the Second Plan period.

Production of Agricultural Commodities

Commodities	PRODUCTION IN		Percentage variation in 1959-60 over 1958-59	Production targets for the Second Plan period
	1958-59	1959-60		
Foodgrains (Million tons)	75.5	71.7	- 5.0	80.5
Sugar (Raw) (Million tons)	7.1	7.7	+ 7.8	7.8
Oilseeds (Million tons)	6.9	6.4	- 8.0	7.6
Cotton (Lakh bales)	46.9	38.4	- 18.2	65.0
Jute (Lakh bales)	51.6	46.1	- 10.7	55.0

In 1960-61, despite floods and heavy rains in parts of Assam, Orissa, the Punjab and Uttar Pradesh and drought conditions in Andhra Pradesh and Mysore, the production of foodgrains is expected to be appreciably higher than even the record production of 75.5 million tons in 1958-59, reflecting the cumulative effect of the various measures taken by the Government during the last few years. Assuming that the production would touch a level of about 78 million tons in 1960-61, foodgrains production would show a rise of about 18 per cent over the Second Plan period; during the First Plan, production of foodgrains had recorded a rise of 22 per cent. According to the final estimate, the output of rice in 1960-61 is placed at the record level of 33.7 million tons showing a rise of 8.8 per cent over the previous year and exceeding substantially the Second Plan target of 32 million tons. The output of wheat also is estimated to touch a record level of 10.6 million tons in 1960-61, while the production of Jowar is placed at 9.2 million tons.

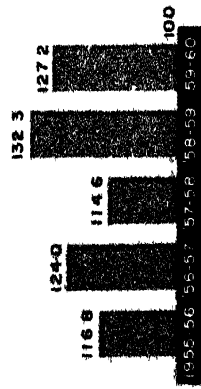
Among commercial crops, production of groundnuts is estimated to have risen from 3.9 million tons in 1959-60 to 4.4 million tons in 1960-61. Production of cotton also is estimated to have increased substantially despite a slight fall in acreage; the increase was attributed to the favourable climatic conditions, particularly during the growing period, in marked contrast to adverse weather conditions in the previous year. Sugarcane production is also estimated to be higher during 1960-61. Production of jute has, however, declined by 12.5 per cent mainly on account of unfavourable weather conditions in Assam, Bihar and West Bengal.

A brief review of the trends in production in important individual commodities is given below :

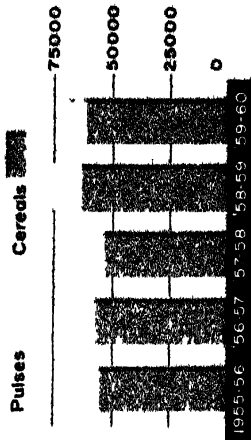
Foodgrains.—During 1959-60, foodgrains production received a setback, declining to 71.7 million tons from the record output of 75.5 million tons in 1958-59 due to heavy rains and floods which affected khariff crops in West Bengal, Assam and Andhra Pradesh. Rabi crops too were affected by inadequate rains in Bihar and the Punjab and by untimely rains and hailstorms in parts of Maharashtra and Gujarat. The production of cereals declined from 62.6 million tons in 1958-59 to 60.5 million tons in 1959-60 and that of pulses from 12.9 million tons to 11.2 million tons.

PRODUCTION OF PRINCIPAL AGRICULTURAL COMMODITIES IN INDIA

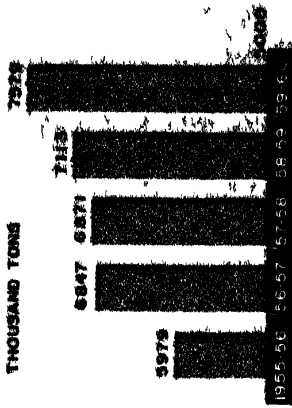
ALL AGRICULTURAL COMMODITIES* INDEX NUMBERS



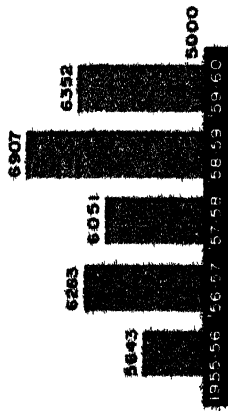
FOODGRAINS THOUSAND TONS



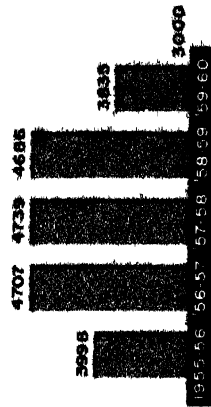
SUGAR (RAW) THOUSAND TONS



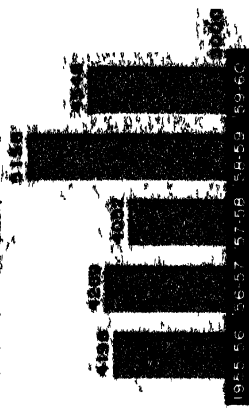
OILSEEDS THOUSAND TONS



COTTON (LINT) THOUSAND SALES (1 BALE = 392 LBS.)



JUTE THOUSAND SALES (1 BALE = 400 LBS.)



* Base Agricultural year 1949-50=100. The indices for 1957-58 and 1958-59 are generally based on 'partially revised' estimates while those for 1959-60 are generally based on 'final' estimates. The indices for these years are, therefore, subject to revision.

Cotton.—The measures introduced by the Government of India under the Cotton Extension Schemes in 1950-51, viz., multiplication and distribution of improved seeds, grant of loans to cultivators for the purchase of seeds and fertilizers and extension and propaganda among cotton growers, continued to remain in force in 1959-60. Despite this, the output of cotton declined by 18·2 per cent from 46·86 lakh bales in 1958-59 to 38·35 lakh bales—the lowest since 1953-54. This marked fall in production was attributable partly to a decrease in area under cotton by 3·4 per cent but mainly to the damage caused to the crop by unfavourable weather conditions. For the year 1960-61, notwithstanding a further fall in area of 6·3 lakh acres (according to the fourth estimate), the outlook appears to be relatively bright in view of favourable climatic conditions. Production, according to trade estimates, is placed higher at 54 lakh bales. Even if this expectation materialises, there is likely to be a shortfall of 11 lakh bales in the production of cotton in relation to the target for 1960-61 under the Second Five Year Plan.

In contrast to the trend in production during 1959-60, aggregate mill consumption of cotton (both Indian and foreign) during 1959-60 at 51·05 lakh bales was higher than that in 1958-59 (50·72 lakh bales). Consumption of Indian cotton, which had increased from 44·33 lakh bales in 1957-58 to 46·16 lakh bales in 1958-59, declined to 44·19 lakh bales in 1959-60 as a result of a marked fall in production referred to above. To meet the consequential shortage of raw cotton, mills were allowed liberal imports; as a result, the consumption of foreign cotton recorded an increase from 4·55 lakh bales in 1958-59 to 6·86 lakh bales in 1959-60. During the first eight months of the 1960-61 season (September-April) for which data are available, consumption of indigenous cotton amounted to 27·17 lakh bales and that of foreign cotton to 7·83 lakh bales as compared to 30·56 lakh bales and 3·63 lakh bales, respectively, during the corresponding period of the previous year. The overall consumption of cotton during 1960-61 is estimated to be slightly higher than that in the previous year.

Jute.—Production of raw jute registered a fall for the second year in succession from 46·05 lakh bales in 1959-60 to 40·30 lakh bales in 1960-61 (or by 12·5 per cent); in 1958-59, production had amounted to 51·6 lakh bales. This sizeable decline in output took place in spite of the continued efforts of the Government to increase production. During the year, the Government of India sanctioned a short-term loan of Rs. 25 lakhs to the jute growing States of West Bengal, Bihar, Assam, Orissa and U.P. for purchase and supply of fertilizers to growers. As in the previous year, the fall in jute production in 1960-61 was partly due to a fall in the area under jute and partly to unfavourable weather conditions. To correct the imbalance between supply and demand resulting from the shortage of raw jute, liberal imports of jute cuttings from Pakistan were arranged while mills were permitted to seal looms and curtail their working hours.

Oilseeds.—The total production of major oilseeds (groundnut, rape and mustard, sesamum, linseed and castorseed) declined by 8 per cent from 6·9 million tons in 1958-59 to 6·4 million tons in 1959-60. With the exception of rape and mustard,

the output of which recorded a small rise of 1·2 per cent mainly due to the increase in acreage, all other oilseeds, namely, groundnut, sesamum, linseed and castorseed recorded a decline in production amounting to 8·8, 23·3, 4·9 and 3·6 per cent, respectively. In 1960-61, according to the preliminary estimates, the area under rape and mustard, sesamum and castorseed has shown declines of 9·5, 4·9 and 2·8 per cent, respectively, whereas the area under groundnut (according to the final estimate) and linseed (according to the preliminary estimate) has shown an increase of 4·0 and 0·3 per cent, respectively, as compared with the previous year's corresponding adjusted estimates. According to the final estimates, the production of groundnut (nuts in shell) during 1960-61 is placed higher at 4·4 million tons or by 10·5 per cent over the previous year but is still lower by 0·3 million tons as compared to the Second Five Year Plan target* of 4·7 million tons.

Sugarcane.—As against the Second Plan target of 7·8 million tons, the production of sugarcane (in terms of gur) increased from 7·1 million tons in 1958-59 to 7·7 million tons in 1959-60 or by 7·8 per cent as a result of increase in area as well as favourable weather conditions during the growing period. For 1960-61, the all-India final estimate for sugarcane shows an increase of 13·3 per cent in production as compared to the partially revised estimate for 1959-60.

Tea.—Production of tea estimated at 696·1 million lbs.† in 1960 recorded a fall of 3·3 per cent over the previous year's production of 719·7 million lbs. The whole of this decline was accounted for by a fall in the production of tea in North India which declined by 35·8 million lbs. due mainly to severe drought in Assam and Cachar; it was only partially offset by an increase of 12·2 million lbs. in production in South India. Exports of tea also declined from 472·5 million lbs. in 1959 to 430·1 million lbs. in 1960, the decline being accounted for mainly by Sudan, U.K. and Turkey.

Coffee.—The production of coffee during 1960-61 is estimated at 57,084@ tons which shows an increase of 17·5 per cent over the estimated production of 48,600@ tons in 1959-60. Out of the 1960-61 crop, a total of 21,160 tons was allocated for export as compared to 20,275 tons allocated for export out of the 1959-60 crop.

Tobacco.—Production of tobacco recorded a further increase from 2·61 lakh tons in 1958-59 to 2·81 lakh tons in 1959-60 or by 7·7 per cent. This increase was achieved partly through an extension of tobacco cultivation and partly by an improvement in average yield.

Industrial Production

During 1960, industrial production showed a further marked rise, the annual rate of growth moving up to 12·1 per cent, as compared to 8·7 per cent in 1959, 1·7 per cent in 1958, 3·5 per cent in 1957 and 7—8 per cent in each of the three years

* Original target.

† Provisional.

@ Subject to revision.

1954-56. The average general index of industrial production (base: 1951=100) for 1960 worked out to 170·3, as compared to 151·9 in 1959 and 139·7 in 1958. For the Second Plan period as a whole, the general index recorded a rise of 39·1 per cent; the actual increase in industrial production was larger since new industries which commenced production after 1951, some of which have shown sharp increases in output, are not included in the index.

The main features of industrial growth in 1960 were (i) a further rise in the output of various types of industrial machinery including tea processing machinery, sugar mill machinery, chemicals and pharmaceutical machinery, cement machinery etc., (ii) the manufacture, for the first time in this country, of certain new items as in last year,* such new items including hydrosulphite, surgical catgut, zinc phosphate, infant milk food and glass insulators, and (iii) the higher rate of output attained by industrial units in the public sector; for instance, the output of penicillin at the Hindustan Antibiotics Ltd., during the nine months ended December 1960 totalled 29·4 million mega units as compared to 33·2 million mega units in the whole of 1959-60, the corresponding figures of machine tools manufactured by the Hindustan Machine Tools Ltd. being 644 and 702.

The increase in industrial output in 1960 was the result both of additions to, and fuller utilisation of, existing industrial capacity. Additions to installed capacity were made during the year in a number of industries including soda ash and caustic soda, electric motors, sulphuric acid, power transformers, electric fans, radio receivers, etc. The fuller utilisation of existing capacity was made possible by (i) larger supplies of essential raw materials following the high priority given to imports of these materials, (ii) an increase in offtake in almost all industries except jute and cotton textiles and sugar and (iii) continued improvement in the labour situation as indicated by a further sizeable decline in the number of man-days lost on account of industrial disputes from 56·3 lakhs in 1959 to 42·0 lakhs in 1960.

The increase in production during 1960 was shared by almost all industries, excepting paints and varnishes, and enamelware which recorded declines in output. Over two-thirds of the total increase was accounted for by capital goods and intermediate products which constitute about one-half of the 'weight' in the general index of industrial production. Among capital goods industries, substantial increases in the index were recorded by automobiles (41·6 per cent), machine tools (36·9 per cent), diesel engines (37·4 per cent), power transformers (22·8 per cent) and electric motors (18·3 per cent). Among intermediate goods, the output of pig iron and ferro-alloys, and finished steel showed substantial increases, the indices for them going up by 34·9 per cent and 25·1 per cent, respectively. The indices for cement and coal also rose by 13 per cent and 10·1 per cent, respectively. Other industries showing significant increases in output in this group included soda ash, caustic soda, sulphuric acid, copper, and rubber tyres and tubes. The index for jute textiles, however, recorded only a small increase of 1·2 per cent. Among consumer goods

* Please see Report for 1959-60.

industries, substantial increases in output were recorded by electric fans (36.6 per cent), radio receivers (24.7 per cent), sugar (22.4 per cent), electric lamps (18.8 per cent), sewing machines (17.1 per cent), hurricane lanterns (12.9 per cent), footwear (11.6 per cent) and bicycles (6.1 per cent). The index for cotton cloth (which accounts for nearly one-fourth of the total 'weight' in the general index) showed a modest rise of 2.7 per cent.

The position of some of the important industries is noticed in some detail in the following paragraphs.

Production of *steel*, which had risen by 34 per cent from 1.32 million metric tons in 1958 to 1.76 million metric tons in 1959, rose further in 1960 by 25 per cent to 2.2 million metric tons. As in the preceding year, the bulk of the increase in production came from the two leading units in the private sector, viz., the Tata Iron and Steel Company and the Indian Iron and Steel Company, which completed their expansion programmes during the year. In the public sector projects, which commenced production in 1959, further progress was made during the year in the opening of new units. At Rourkela, the third and the fourth open hearth furnaces went into production in February 1960 and May 1960, the first two furnaces having been commissioned in April and August 1959, respectively. At Bhilai, since October 1959 when the first open hearth furnace was commissioned, four more furnaces were brought into operation by the end of 1960. In Durgapur also, where output commenced with the opening of the first open hearth furnace in April 1960, three more furnaces have since been put into operation. Of the total steel output of 2.2 million metric tons in 1960, the public sector projects contributed 19,021 metric tons. The substantial increase in domestic steel production in the last two years enabled the authorities to liberalise the control on the distribution of steel. During the year, the system of procurement of steel against quota certificates was dispensed with and all consumers and stockists are now allowed to place indents for all categories of steel (other than sheets, wire, tin plates and baling hoops) for any quantity *direct* with the Iron and Steel Controller.

Production of *pig iron and ferro-alloys* also registered a further marked rise of 35 per cent from 31 lakh metric tons in 1959 to 42 lakh metric tons; of this, the public sector projects contributed 8.1 lakh metric tons of pig iron, or nearly twice the contribution in 1959 (4.3 lakh metric tons).

Production of *cotton cloth* (mill-made) which had remained stagnant around 4,500 million metres in 1959, showed a modest rise of 2 per cent to 4,616 million metres in 1960. The output in the first four months of 1961, at 1,553 million metres, was also slightly higher than in the corresponding period of 1960 (1,508 million metres). The offtake of mill-made cloth, which had risen in 1959, recorded a decline in 1960, with the result that stocks of unsold cloth with mills rose by 121 million metres as against a fall of 291 million metres in 1959. The fall in offtake was partly due to a decline in exports from 748 million metres in 1959 to 638 million metres in 1960. In view of the fall in exports, the export incentive scheme, first introduced in 1958, was further modified in November 1960; the retention quota of cotton for

GRAPH 3

INDUSTRIAL PRODUCTION IN INDIA

FINISHED STEEL
000 METRIC TONS



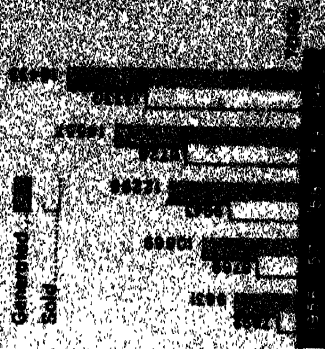
CEMENT
000 METRIC TONS



COAL RAISINGS
MILLION METRIC TONS



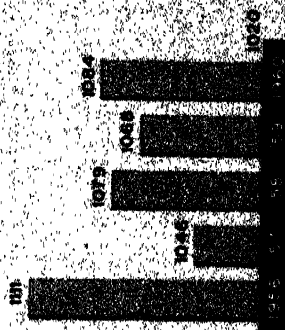
ELECTRICITY
MILLION KWH



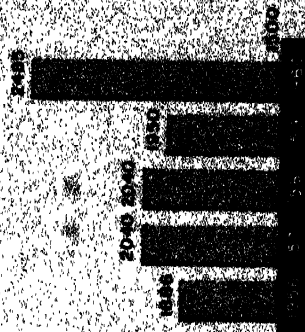
COTTON PIECE-GOODS
MILLION METRES



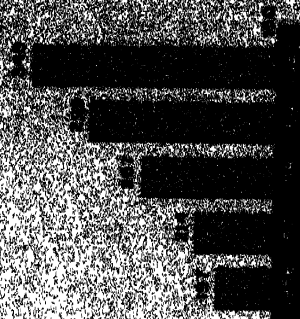
JUTE MANUFACTURES
000 METRIC TONS



SUGAR
000 METRIC TONS



PAPER AND PAPER PRODUCTS
000 METRIC TONS



exporting mills under the scheme was raised from 20-25 per cent of the entitlement value to 30-35 per cent. As a measure of assistance in the modernisation and rehabilitation of the industry, the Government of India permitted during the year textile mills to install 1,500 automatic looms, under the replacement scheme, in addition to 7,500 looms permitted last year. The Working Group, set up by the National Industrial Development Corporation in September 1959, which submitted its Report in May 1960, has estimated that a modest scheme of rehabilitation and modernisation of the industry would entail an expenditure of Rs. 180 crores, of which Rs. 80 crores will be found by the industry itself.

During 1960, the output of *jute goods* amounted to 10,67,000 tons as compared to 10,51,000 tons during 1959. Although production showed a rise of 16,000 tons during the year, there has been a decline in output from September 1960, the total production upto the end of April 1961 being 6,82,200 tons as compared to 7,20,000 tons in the corresponding period of 1959-60. This decline in output is mainly due to the sealing of looms by jute mills and reduction in working hours on account of the shortage of raw jute. It will be recalled that the Indian Jute Mills Association had decided to introduce voluntary curtailment of production from June 6, 1960; the loom hours lost as a result of such additional sealing were to be made available for additional production after November 1, 1960. However, in view of the continued worsening of the raw jute supply position, it became necessary not only to extend the period of voluntary curtailment of production, but also to enforce compulsory sealing of additional looms. Accordingly, the I.J.M.A. decided to seal 5 per cent of the looms from October 17, 1960, and another 5 per cent from October 24, thus raising the percentage of looms sealed to 19; subsequently, with a view to minimising the impact of this action on employment, the I.J.M.A. decided to reduce the percentage of looms sealed from 19 to 12 per cent and at the same time to reduce the working hours from 48 per week to 45. In December 1960, the Association recommended to members working with a complement of more than 220 looms to reduce the working hours to 42-1/2. Owing to a sharp rise in prices of jute manufactures as a sequel to the spurt in raw jute prices, the offtake of jute goods recorded a decline in 1960. Exports of jute goods moved down during the year from 8,60,200 tons in 1959 to 8,37,000 tons. In the result, stocks of jute goods rose from 58,900 tons at the end of 1959 to 80,300 tons at the end of December 1960 and further to 92,100 tons at the end of May 1961.

Production of *sugar* during the 1959-60 season rose by 27 per cent from 19·50 lakh metric tons in 1958-59 to 24·85 lakh metric tons, thus surpassing the target of 22·9 lakh metric tons set for the Second Five Year Plan. The increase was attributed to a good crop of sugarcane, higher recovery of sugar and the incentives offered to the industry under the integrated incentive scheme* announced by the Union Government in October 1959 (referred to in last year's Report). The incentive scheme was extended to production in the 1960-61 season also and besides certain

* Comprising (i) a rebate in the basic excise duty on all sugar produced in the 1959-60 season in excess of the average for the preceding two seasons, (ii) an increase in the controlled ex-factory price of sugar in respect of factories in U. P., North Bihar and the Punjab and (iii) an increase in the minimum price of sugarcane.

administrative measures were also taken by the Governments of Uttar Pradesh and Punjab to provide sugar mills with adequate supplies of cane throughout the season. As a result, sugar output has recorded a further sharp rise in the 1960-61 season and is estimated to reach 29-30 lakh tons. The substantial increase in output in two consecutive seasons alongside a stagnant rate of domestic consumption (of around 21 lakh tons) has created the problem of excessive stocks in the sugar industry. Measures taken to reduce the pressure on stocks included (i) the release, for exports, of a quantity of 3 lakh tons and (ii) the grant of concessions to sugar factories to defer, for a period of three months, the payment of 25 per cent of the excise duty on sugar payable in respect of actual clearances upto September 30, 1961. Mention may also be made of the withdrawal, by the Reserve Bank, on April 21, 1961 of the control on bank advances against sugar.

The output of *cement* rose by 13 per cent from 6·9 million metric tons in 1959 to 7·8 million metric tons, in spite of the fact that some units had to curtail production towards the close of 1960 owing to shortage of coal. Indicating the growing tempo of construction activity, internal demand for cement continued strong but despatches of cement from the producing centres were affected somewhat by shortage of wagons. Export of cement, which had risen from 41,656 metric tons in 1958 to 1,57,480 metric tons in 1959, declined during the year to 1,17,856 metric tons. As a result, the stocks of cement with producers rose over the year from 1,55,000 metric tons to 196,000 metric tons.

The output of *coal* rose sharply from 47·8 million tons in 1959 to 52·6 million tons in 1960, representing an increase of 10·1 per cent, which was substantially higher than the increase of about 4 per cent in each of the years 1959 and 1958. Of the total production of 52·6 million tons, the private sector accounted for about 43·5 million tons and the public sector for the balance of 9·1 million tons. The 1960 output was about 8·3 million tons short of the target of 60·9 million tons envisaged under the Second Plan. Despite the increase in output, some industries e.g. steel and cement experienced shortages of coal, due mainly to transport difficulties. Reflecting this, stocks of coal at the pitheads rose from 2·7 million tons at the end of December 1959 to 3·5 million tons at the end of December 1960. Movement of coal by road and sea and building up of regional dumps of coal are some of the measures contemplated to meet the situation arising from the transport bottleneck.

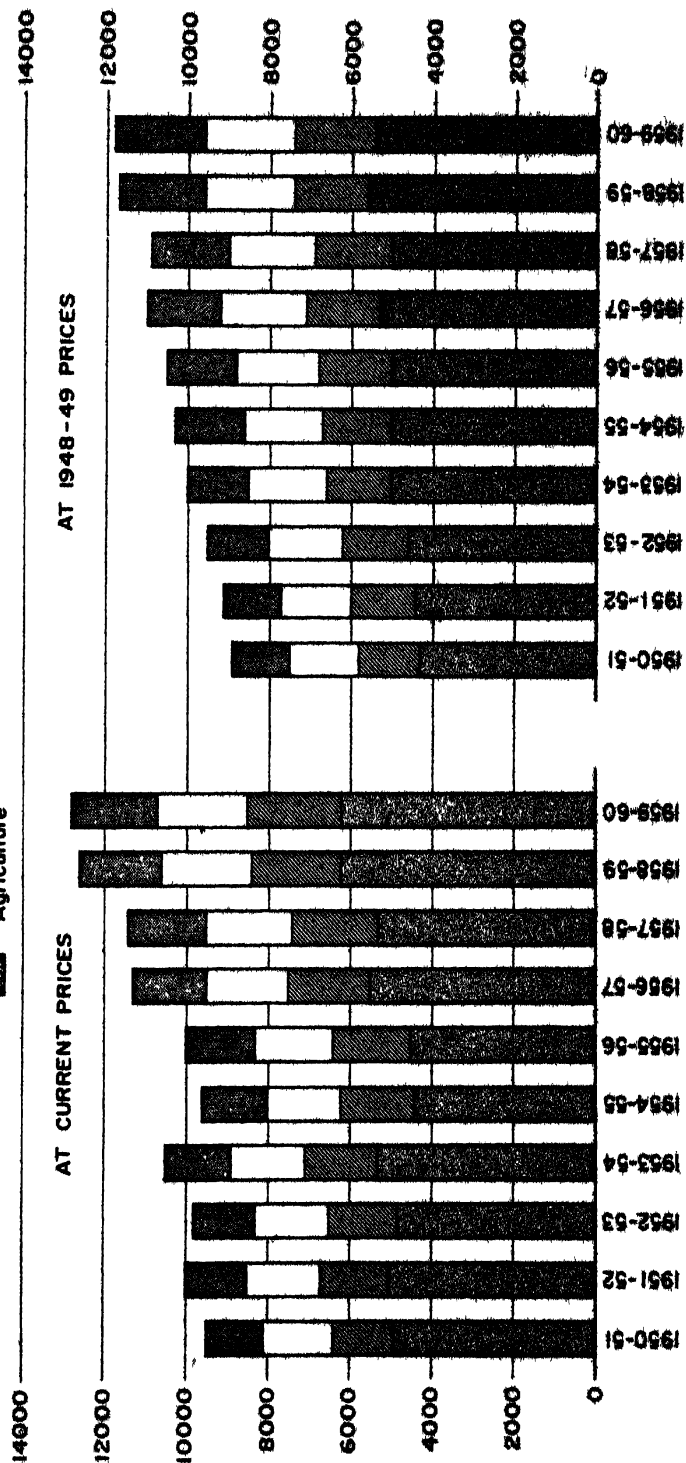
Aided chiefly by the restrictive import policy and the steady growth in internal demand, a number of *light mechanical engineering industries* showed further substantial increases in production. The output of bicycles rose from 9,90,748 to 1,051,000 and of sewing machines from 2,53,000 to 2,96,000. The number of typewriters and crown corks produced in 1960 was 23,353 and 51·8 lakh gross, respectively, as against 21,437 and 41·6 lakh gross in 1959. Significant increases in output were also recorded by industries manufacturing ball bearings, razor blades, clocks, oil pressure lamps, stoves, umbrella ribs etc.

In the *chemicals and allied group*, several items, including superphosphate, sulphuric acid, copper sulphate, ammonium chloride, caustic soda, soda ash, calcium carbide and potassium chlorate recorded significant increases in output. The output of superphosphate rose by 22 per cent from 2·7 lakh metric tons in 1959 to 3·3 lakh

GRAPH 4

NATIONAL INCOME BY INDUSTRIAL ORIGIN (CRORES OF RUPEES)

- Other Services
- Commerce, Transport and Communications
- Mining, Manufacturing and Small Enterprises
- Agriculture



metric tons in 1960, and that of sulphuric acid by 21 per cent from 3·0 lakh metric tons to 3·6 lakh metric tons. A feature during the year was the marked increase recorded by drugs of vegetable origin. The production of quinine, for instance, almost doubled from 66,380 kgs. to 1,22,629 kgs. and caffeine and its salts from 6,964 kgs. to 12,058 kgs.

Trends in National Income

According to preliminary estimates, national income (at constant prices) for 1959-60 (the latest year for which estimates are available) showed a rise of barely 1 per cent over the previous year. At constant (1948-49) prices, the preliminary estimate of national income, *i.e.* net national output at factor cost, for 1959-60 is placed at Rs. 11,760 crores, as compared to Rs. 11,650 crores (revised) for 1958-59. In 1958-59, national income had risen by 7·0 per cent, following a decline of 1 per cent in 1957-58.

The 1959-60 level of national income represented a rise of about 12 per cent over the 1955-56 level. The annual rate of increase during the first four years of the Second Plan period thus works out to about 3 per cent. The per capita national income (at constant prices) recorded a decline of 0·4 per cent from Rs. 292·6 in 1958-59 to Rs. 291·6 in 1959-60.* The increase of Rs. 110 crores in national income during 1959-60 was brought about by the non-agricultural sector, the agricultural sector recording a decline. In the non-agricultural sector, 'other services' (comprising professions, Government services, domestic service etc.) showed a rise of Rs. 120 crores, mining, manufacturing and small enterprises of Rs. 90 crores and commerce, transport and communications of Rs. 60 crores--an aggregate rise of Rs. 270 crores. In contrast to this, national income in the agricultural sector, which had risen by as much as Rs. 550 crores during 1958-59, declined by Rs. 160 crores during 1959-60.

Expressed at current prices, national income in 1959-60 worked out at Rs. 12,840 crores or Rs. 240 crores higher than in 1958-59 (revised). Per capita income at current prices also recorded a small rise from Rs. 316·5 in 1958-59 to Rs. 318·4 in 1959-60.

	1959- 60@	1958- 59	1957- 58	1956- 57	1955- 56	1954- 55	1953- 54	1952- 53	1951- 52
<i>Net Output in Rs. abja†</i>									
1. At current prices ..	128·4	126·0	113·9	113·1	99·8	96·1	104·8	98·2	99·7
2. At 1948-49 prices ..	117·6	116·5	108·9	110·0	104·8	102·8	100·3	94·6	91·0
<i>Per Capita net output in Rs.</i>									
3. At current prices ..	318·4	316·5	289·8	291·5	260·6	254·2	280·7	266·4	274·0
4. At 1948-49 prices ..	291·6	292·6	277·1	283·5	273·6	271·9	268·7	256·6	250·1

* Based on 1941 and 1951 Census Figures.

@ Preliminary.

† abja=100 crores.

1961 Census of India

According to the *Provisional figures* of the 1961 Census, the population of India on March 1, 1961 was 436 million@ showing a rise of 77 million over that in 1951. The mean decennial rate of growth in the 1951-61 decade was of the order of 21·49 per cent, which was substantially higher than the rate of growth in the 1941-51 decade (13·30 per cent). Although areas of high increase were fairly distributed all over the country, there were appreciable variations in the rates of growth among the individual States and areas within a State. The rate of increase varied from 9·73 per cent in Jammu and Kashmir to 34·30 per cent in Assam; relatively high rates of increase were recorded by West Bengal (32·94 per cent), Gujarat (26·80 per cent), Rajasthan (26·14 per cent), Punjab (25·80 per cent), Kerala (24·55 per cent), Madhya Pradesh (24·25 per cent) and Maharashtra (23·44 per cent). The all-India *density of population** (excluding Jammu and Kashmir) in 1961 was 384 as against 316 in 1951. Statewise, the density was more than a thousand in Kerala and West Bengal, while among the Union Territories, Delhi and Laccadive group of islands had densities of 4,614 and 2,192, respectively. In other States, the density ranged from 152 in the case of Rajasthan to 691 in the case of Bihar. The all-India *sex ratio*† declined from 947 in 1951 to 940 in 1961. Statewise, the sex ratio varied between 868 in the Punjab and 1022 in Kerala. The number of *literates* per 1000 persons (of all age groups) in 1961 was 339 among males and 128 among females, the average being 237. Over the period 1951 to 1961, literacy had increased at an average rate of 0·7 per cent per year for the population as a whole, 0·9 per cent for males and 0·5 per cent for females. The *urban-rural structure of population* in the country in 1961 did not show any significant change as compared to the structure in 1951; the proportion of urban population in 1961 worked out to 17·84 per cent of the total population as against 17·38 per cent (excluding Jammu and Kashmir) in 1951.

@ Including the probable population of Manipur, North East Frontier Agency, Nagaland and Sikkim, the figure would work out to 438 million.

* i. e. the number of persons per square mile.

† i.e. the number of females per 1000 males.

III. PRICES

General.—The price situation showed a further marked deterioration in 1960-61. The general price level rose almost continuously to a new high in mid-October 1960 and, after a temporary decline during the succeeding two months or so, moved up again to touch yet another peak towards the close of the year. Over the year, the Economic Adviser's general index of wholesale prices (base: 1952-53=100) showed a net rise of 7.2 per cent to 127.5 (monthly average of weekly prices) on top of a rise of 5.8 per cent in 1959-60. The annual average of weekly indices for 1960-61, at 124.8, showed a rise of 6.6 per cent, as compared to 3.7 per cent in the preceding year. The All-India Consumer Price Index Number for Working Class (base: 1949 = 100) also showed a net rise over the year of 2.5 per cent to 124, which, however, was smaller than the rise of 3.4 per cent in 1959-60.

Over the Second Plan period, the general price level recorded a rise of 30 per cent, which contrasted with a decline of 18.4 per cent during the First Plan period. Except for a slight decline of 0.2 per cent during 1957-58, there were price increases in each of the remaining four years, the rise being 7.6 per cent in 1956-57, 6.6 per cent in 1958-59, 5.8 per cent in 1959-60 and 7.2 per cent in 1960-61.

During 1960-61, the general index of wholesale prices, which had stood at 118.7 for the week ended March 26, 1960, moved up more or less continuously to a new peak of 127.4 for the week ended October 15, 1960, thus crossing the earlier

(Base: 1952-53=100)

Groups and Sub-groups	Weight	March 1956	March 1959	March 1960	March 1961	Percentage change of			Average for		Percentage change of (9) over (8)
						(4)	(3)	(4)	1959-60	1960-61	
						over (3)	over (2)	over (1)			
		1	2	3	4	5	6	7	8	9	10
All Commodities ..1000		98.1	112.4	118.9	127.5	+ 7.2	+ 5.8	+30.0	117.1	124.8	+ 6.6
Food Articles .. 504		92.8	113.8	117.0	117.5	+ 0.4	+ 2.8	+26.6	119.0	120.0	+ 0.8
Liquor and Tobacco .. 21		78.7	100.3	96.4	113.4	+17.6	- 3.9	+44.1	99.5	110.0	+10.6
Fuel, Power, Light and Lubricants.. 30		96.8	116.0	117.8	122.7	+ 4.2	+ 1.6	+26.8	116.5	119.6	+ 2.7
Industrial Raw Materials .. 155		109.4	116.2	131.9	159.1	+20.6	+13.5	+45.4	123.7	145.4	+17.5
Manufactures .. 290		102.9	108.6	116.9	129.4	+10.7	+ 7.6	+25.8	111.7	123.9	+10.9
(a) Intermediate Products .. (41)		110.5	109.4	121.3	137.3	+13.2	+10.9	+24.3	113.8	130.5	+14.7
(b) Finished Products (249)		101.6	108.5	116.1	128.2	+10.4	+ 7.0	+26.2	111.3	122.8	+10.3
All-India Cost of Living Index (Base: 1949=100) ..		100	117	121	124	+ 2.5	+ 3.4	+24.0	123	124	+ 0.8

post-Korean peak of 126.4 reached in June 1951. Thereafter, during the period mid-October to end-December, there was a moderate decline, mainly seasonal, the index moving down to 124.2 for the week ended December 31, 1960. Subsequently, however, there was a resumption of the uptrend which carried the index to yet another new peak of 127.8 for the week ended March 11, 1961 and the index stood at 127.5 at the end of the year.

The deterioration in the price situation during the year reflected mainly the significant short-fall in the 1959-60 output of raw materials (raw cotton, raw jute and oilseeds), the rise in raw material prices in turn resulting in higher prices of manufactured articles (cotton and jute textiles). It also indicated that the growth in agricultural and industrial production, despite the estimated record levels for 1960-61, was inadequate in relation to the pressure of aggregate demand in the economy engendered by the sustained high tempo of investment activity and the continued expansion in money supply and bank credit.

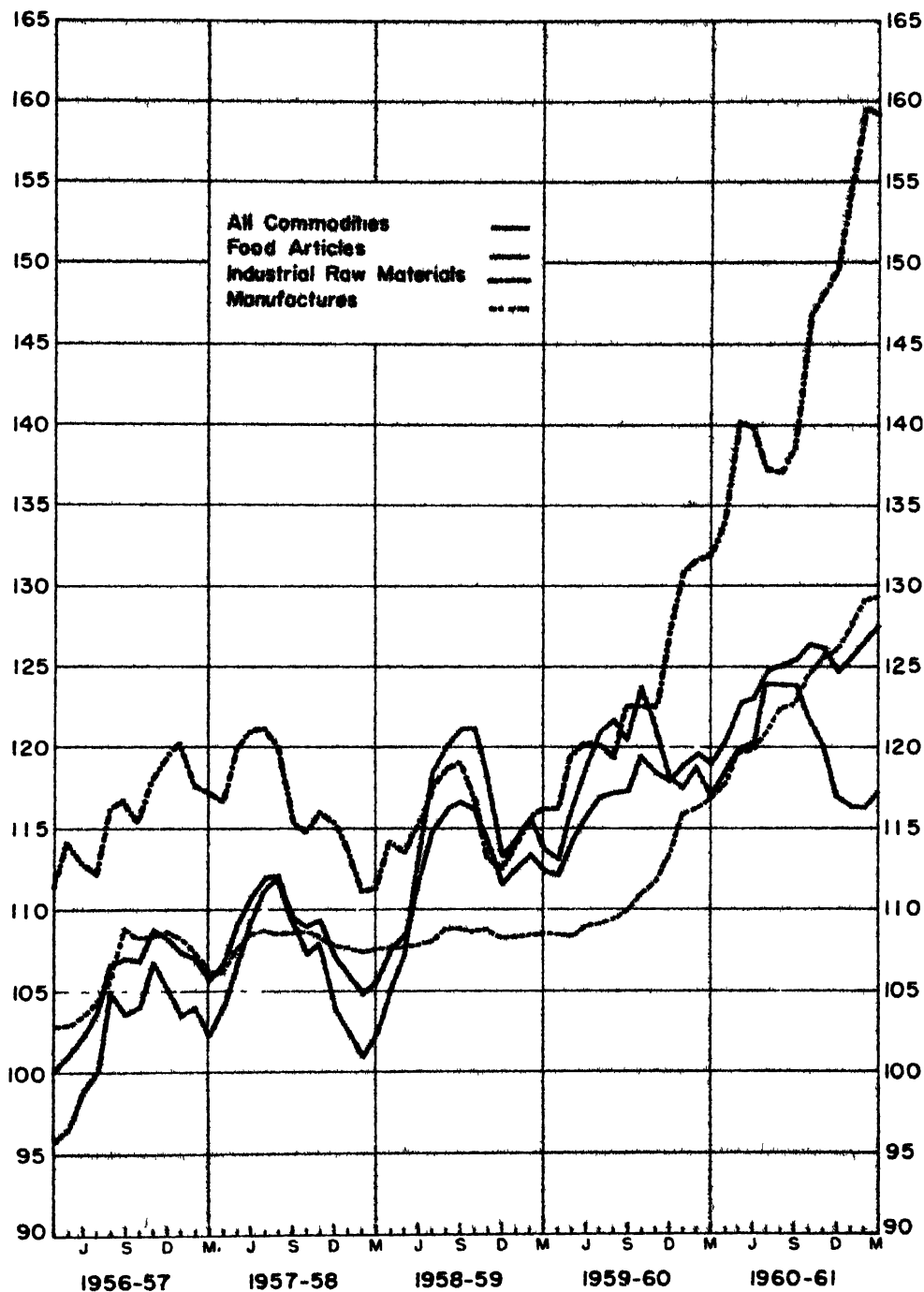
A feature of the price situation was that the two groups 'Industrial Raw Materials' and 'Manufactures,' which for the first time since 1950-51 had emerged as important contributing groups to the rise in the general price level in 1959-60, continued to dominate the trend, while the part played by 'Food Articles', which had tended to be less important in 1959-60, unlike in the preceding few years, was, by and large, negligible in 1960-61. Thus the bulk of the rise in the general price level during 1960-61 (7.2 per cent) occurred in 'Industrial Raw Materials' and 'Manufactures', the indices of which went up by 20.6 per cent and 10.7 per cent, respectively, as compared to a rise of 13.5 per cent and of 7.6 per cent in 1959-60. The 'Food Articles' group showed a rise of only 0.4 per cent in 1960-61 as compared to 2.8 per cent in 1959-60.

The index for *Food Articles*, which had stood at 116.5 for the week ended March 26, 1960, rose to a high of 125.0 for the week ended July 16, 1960. Subsequently, a downtrend ensued, the index touching a low of 115.0 for the week ended December 31, 1960; it stood at 118.1 at the end of March 1961. It is interesting to note that even the small rise of 0.4 per cent in the Food Articles group (monthly average) was brought about mainly by sub-groups other than cereals, the latter (i.e. cereals) in fact showing a decline, particularly under wheat and rice. Thus, four main sub-groups viz., (i) edible oils, (ii) fish, eggs and meat, (iii) milk and ghee and (iv) pulses showed net increases over the year of 19.7 per cent, 7.8 per cent, 4.5 per cent and 3.3 per cent, respectively. The index for cereals, which had stood at 103.0 in the week ended March 26, 1960, rose to 110.1 in the week ended July 16 but thereafter it showed a continuous decline upto end-December 1960, when it touched a low of 98.4, before closing for the year at 100.3, showing a net decline of 2.9 per cent over the year as against a rise of 1.0 per cent, in 1959-60 and of 7.4 per cent in 1958-59. The decline in cereal prices during 1960-61 which occurred despite a fall in the 1959-60 cereals output (from 62.6 million tons in 1958-59 to 60.5 million tons), reflected, by and large, (i) the comfortable supply position in regard to foodgrains throughout the year under review, aided chiefly by larger imports which amounted to 50.4 lakh tons as compared to 37.6 lakh tons in the previous year, and (ii) anticipations (since materialised) of a record

GRAPH 5

INDEX NUMBERS OF WHOLESALE PRICES

BASE 1952-53 = 100



output of foodgrains in the 1960-61 season. It is noteworthy that the seasonal decline in the cereals index this year was more pronounced, being 7·2 per cent as compared to 4·8 per cent in the corresponding period of last year. In the cereals sub-group, both *rice* and *wheat* recorded declines of 4·7 per cent and 3·2 per cent, respectively, in 1960-61; in 1959-60, wheat had declined by 17·5 per cent, but rice had risen by 15·2 per cent. Among coarse grains, while *jowar* declined by 6·0 per cent against a rise of 6·4 per cent in 1959-60, *bajra* rose by 4·1 per cent against a decline of 6·1 per cent in 1959-60. The index for *sugar*, which is based on controlled ex-factory prices, did not show any variation during the year; the actual wholesale prices in the terminal markets, however, showed distinct easiness mainly as a sequel to the substantial increase in sugar production in the 1959-60 and 1960-61 seasons. The index for *gur* showed a sharp fall of 24·8 per cent during the year as against a rise of 12·9 per cent last year. *Tea* prices rose further by 15·6 per cent on top of a rise of 14·6 per cent in 1959-60, owing mainly to the continued decline in output.

The uptrend in the index for *Industrial Raw Materials*, noticed since March 1959, continued almost throughout the year. The sharp rise of 20·6 per cent in 'Industrial Raw Materials' which occurred during the year was brought about by an increase of 41·6 per cent in fibres and of 13·5 per cent in oilseeds. In the fibres sub-group, the increase was entirely due to a pronounced rise of 92·2 per cent in raw jute which followed a rise of 23·7 per cent in the previous year—a rise of 137·7 per cent in two years. The index for raw jute which had stood at a low of 109·0 in the week ended January 3, 1959 and risen to 141·0 by the week ended March 26, 1960, soared to a high of 289·5 by the week ended February 11, 1961. This sharp upswing mainly reflected the extremely tight supply situation in regard to raw jute which developed as a sequel to a short-fall in output in two consecutive years. However, beginning from mid-February, raw jute prices have tended to decline, the index falling to 267·4 in the week ended March 25, 1961. The reversal in the price trend is attributable partly to the various measures taken by the authorities to control the price rise (referred to in a subsequent paragraph) but principally to the prospects of a bumper crop in the 1961-62 season. Raw cotton remained generally firm upto October-end, but turned distinctly easy thereafter, the index recording a net decline of 1·8 per cent over the year in contrast to a rise of 10·8 per cent during 1959-60, due mainly to the higher output in 1960-61 as compared to 1959-60. Oilseeds, which had risen by 10·2 per cent, rose further by 13·5 per cent, reflecting mainly the continuing shortage of supplies in relation to demand; in groundnut, the rise was 12·8 per cent on top of a rise of 16·5 per cent last year.

The rise of 10·7 per cent in the index of *Manufactures* during the year reflected, by and large, the rise in 'Industrial Raw Materials'. The sub-group, 'Intermediate Products' rose by 13·2 per cent and 'Finished Products' by 10·4 per cent. Among finished products, the rise took place almost entirely under 'textiles', which went up by 16·5 per cent. In the textiles sub-group, jute textiles, which had risen last year by 19·5 per cent, shot up by 65·3 per cent. Cotton textiles also recorded a further, though modest, rise of 1·6 per cent. The index for jute goods largely followed the trend of raw jute prices; the index rose sharply from 97·3 at the end of March

1960 to 171·9 by mid-February 1961, though subsequently it declined to 156·1 at the close of the year under review.

Price Policy.—The general uptrend in the price level during the year, which reflected in part basic shortages of supplies and in part the pressure of continued expansion in bank credit and money supply, called for a further reinforcement of official policies on the monetary as well as non-monetary fronts. The action taken on the monetary front increasingly to press into service general credit controls as a supplement to selective controls and, at the same time, to operate the credit policy in a flexible manner so as to meet the changing needs of the situation has been referred to in detail in Chapter IV. On the non-monetary front, apart from continued efforts to step up production of essential goods (please see Chapter II), the action taken included (i) measures to secure larger imports of foodgrains as well as essential industrial raw materials in short supply, (ii) the continuance of the ban on forward trading in foodgrains, (iii) steps to facilitate freer movement of foodgrains from surplus to deficit areas through a widening of the existing zonal arrangements, (iv) controlled distribution of available stocks as in the case of raw jute and raw cotton, (v) further reinforcement of the controls directed towards curbing unhealthy speculative excesses in the various commodity markets and (vi) voluntary action by industry (a) to bring about a reduction in prices as in the case of cotton textiles and (b) to fix maximum prices as in the case of raw jute and to make suitable adjustments in production programmes as in the case of jute goods. The details of the various measures taken are noticed in the following paragraphs.

In the case of foodgrains, imports in 1960-61 were substantially larger at 50·4 lakh tons (comprising 43·3 lakh tons of wheat, 6·5 lakh tons of rice and 0·6 lakh tons of other grains) than in 1959-60 (37·6 lakh tons), the bulk of the imports being received, as in the previous years, from the U.S.A. under the Public Law 480 Programme. Of the 50·4 lakh tons imported during 1960-61, 8 lakh tons of wheat and 0·53 lakh tons of rice represented imports from the U.S.A., upto December 1960, in terms of the fifth agreement with the U.S.A., entered into in May 1960 under the P.L. 480 Programme, for the import of 16 million metric tons of wheat and 1 million metric tons of rice over a period of four years (referred to in last year's Report). Also, agreements were entered into during the year (i) with Canada (on November 7 and December 8, 1960), which provide for an aid of \$ 7 million under the Colombo Plan Programme, for the purchase of 1·1 lakh tons of wheat and (ii) with Burma for the supply of 2 lakh tons of rice during 1961. Mention may also be made here of Government's decision to build up a reserve stock of 5 million tons of foodgrains, largely from imports from the U.S.A. under the May 1960 P.L. 480 Agreement, referred to above; substantial progress in this direction has already been made, the total amount of stocks in the Central reserve at the end of March 1961 being 22·5 lakh metric tons as against 10·6 lakh metric tons a year before.

As regards internal procurement, purchases of paddy and rice in the 1959-60 season (November-October) were undertaken on behalf of the Central Government in the surplus States of the Punjab, Madhya Pradesh and Andhra Pradesh, while State Governments also made purchases of rice and paddy on their own account in the

States of Assam, Madhya Pradesh, the Punjab, Orissa, Uttar Pradesh, Jammu and Kashmir and the Union Territory of Tripura. The total quantity of rice and paddy purchased during the 1959-60 season was 9·8 lakh tons, as compared to 13·1 lakh tons in the 1958-59 season. As regards wheat, only three States, viz., Madhya Pradesh, the Punjab and Uttar Pradesh resorted to purchases on their own account during the 1959-60 season; among these, the Punjab discontinued purchases from July 1960 and Madhya Pradesh from September 1960; in Uttar Pradesh, the levy on wheat dealers was also withdrawn in August 1960. The total quantity of wheat procured by these three States during the 1959-60 season was higher at 3·6 lakh tons as compared to 2·9 lakh tons in the preceding season.

The general pattern of zonal arrangements and other restrictions on movement which were in force in 1959 (referred to in last year's Report) were largely continued during 1960. The formation, in December 1959, of the Eastern Rice Zone, comprising the surplus State of Orissa and the deficit State of West Bengal having proved beneficial, the Government of India announced on November 24, 1960, the formation, with immediate effect, of a common rice and wheat zone, comprising the States of Madhya Pradesh, Gujarat and Maharashtra. Under the new arrangement, the movement of rice and wheat has been allowed from Madhya Pradesh to Maharashtra and Gujarat through licensed dealers.

With the turn of the year 1960, in view of the general improvement in the supply and prices of foodgrains (referred to earlier), some relaxations in controls were made which included (i) relaxation of the ceilings in respect of banks' advances against paddy and rice (please see Chapter IV), (ii) the withdrawal in April 1961 of all restrictions on the movement of wheat and wheat products throughout the country and (iii) the complete withdrawal of the Reserve Bank's selective credit control on advances against wheat, effective May 15, 1961.

Action taken during the year to check an undue rise in prices of some of the more important industrial raw materials and manufactures, viz., raw jute, jute goods, raw cotton, cotton textiles and oilseeds may now be noticed. In the case of *raw jute and jute goods*, apart from the extension, on December 12, 1960, by the Reserve Bank, of the scope of its selective credit controls to cover banks' advances against raw jute and jute goods (referred to in Chapter IV), other measures taken included (i) further stringent restrictions on speculative trading in these commodities and (ii) regulated consumption of raw jute in line with the restricted supply. The ban on futures trading in jute goods (August 1960 delivery) and in raw jute (September 1960 delivery) which had been in force till July 31, 1960, was extended in two stages upto August 31 in respect of jute goods and upto September 14 in respect of raw jute. The ceiling price for raw jute (September and December 1960 deliveries), fixed at Rs. 43·50 per maund in May 1960, was extended till the maturity of the contracts, though the ceiling prices of Rs. 51 per 100 yds. and Rs. 134 per 100 bags, respectively, fixed for hessian and sacking (August and November 1960 deliveries) were withdrawn on July 27, 1960. On the same date, a fourth marginal slab on hessian and sacking B. Twills was imposed, the margins being payable when prices closed at or above Rs. 51 per 100 yards and Rs. 134 per 100 bags, respectively. Also

in respect of the third marginal slab for sacking (August and November 1960 deliveries), which was applicable when the closing price was Rs. 132 or above per 100 bags, the margin payable was raised from Rs. 50 to Rs. 66. On October 10, all fresh transactions in futures trading in jute goods (November 1960 delivery) and in raw jute (December 1960 delivery) were prohibited till November 15, 1960 and December 1, 1960, respectively; at the same time ceiling prices were reimposed in respect of jute goods for the November 1960 delivery contract (Rs. 51 for hessian and Rs. 140 for sacking). As these measures led to a switch-over of speculative activity to transferable specific delivery contracts, the East India Jute and Hessian Exchange Ltd., on October 31, directed members and licensed brokers to register with it all transferable specific delivery contracts in all varieties of raw jute and specified jute goods. Further, on November 11, special margins were imposed on all current transferable specific delivery contracts at the rate of Rs. 72·35 per 100 kgs. for raw jute, Rs. 30·50 per 100 metres for hessian and Rs. 86·50 per 100 bags for sacking, the margins being payable when prices closed at or above Rs. 116·55, Rs. 55·77 and Rs. 140, respectively. On November 28, it was decided to close all outstanding hedge contracts for jute goods (November 1960 delivery) and raw jute (December 1960 delivery) at emergency clearing prices of Rs. 53 for hessian, Rs. 151·50 for sacking and Rs. 44·50 for raw jute. Forward trading in raw jute and jute goods remained suspended during the rest of the year. With a view to ensuring equitable distribution of available stocks of raw jute, the Indian Jute Mills Association introduced, on October 24, a weekly quota system for the purchase of raw jute by mills, based on the actual physical stocks with individual mills. The I.J.M.A. also adopted a number of measures to ease the pressure on raw jute supplies through suitable adjustments in the production programme (see Chapter II). Further, on March 1, the Association introduced, in consultation with the Central Government, a scheme for the voluntary fixation of maximum prices for raw jute and also undertook to impose limits on the quantity of unsold ready jute goods that could be held by member mills. The maximum rate for Assam Bottoms initially fixed was Rs. 62 per maund (Rs. 166·90 per quintal), which was subsequently reduced to Rs. 56 per maund (Rs. 151 per quintal) with effect from May 22, 1961 in view of the decline in raw jute prices. On March 10, the Government of India promulgated the Jute Licensing and Control Order, under the Essential Commodities Act, 1955, which, among other things, empowers them to license dealers in raw jute and jute textiles, to fix maximum and minimum prices both for raw jute and jute goods and to requisition stocks of raw jute held by manufacturers of jute textiles.

In *cotton*, the measures taken during the year to curb the price rise included (i) tightening of the regulatory measures relating to futures trading, (ii) strengthening of the quality and distribution controls and (iii) larger imports. The Forward Markets Commission accorded permission for futures trading in only two contracts (viz., April and August 1961) in the 1960-61 cotton season (September-August) as against three contracts (March, May and August) in the 1959-60 season. On August 30, the Government announced a number of measures designed to ensure adequate supplies of cotton to mills and these included (i) compulsory survey by the East India Cotton Association Ltd. of all cotton meant for internal sale, (ii) prohibition of purchase of cotton by mills unaccompanied by a survey certificate, (iii) restriction on the

purchase of *kapas* by mills owning ginning factories to the level of the actual Indian quota, (iv) filing of periodical returns by mills and dealers, (v) prohibition of sales of cotton by mills without the prior permission of the Textile Commissioner and (vi) requisitioning of stocks from mills, ginneries and traders. The quota system for the distribution of indigenous cotton to mills, introduced in December 1959, under which mills were not allowed to buy more than an initial 50 per cent of their consumption of Indian cotton during the 1958-59 season, was extended to the 1960-61 season. As regards imports, the quantity allotted for import during the 1960-61 season so far (i.e. September 1960—April 1961) amounted to 11·1 lakh bales against 12·8 lakh bales in the whole of the 1959-60 season (September 1959—August 1960). An agreement was also signed on March 9, 1961, with the U.S.A., for the import, under the P.L. 480 Programme, of 3 lakh bales of raw cotton. Mention may also be made here to the voluntary action taken by the cotton textiles industry to check the price rise in cotton goods; the Indian Cotton Mills Federation announced reductions in the prices of cotton textiles in three stages, in August and September 1960 and again in January 1961.

In *oilseeds*, measures taken to curb the price rise related to the imposition or tightening of margins and fixation of ceiling prices. The Forward Markets Commission raised, on November 13, the special margins on groundnut contracts on the Bombay Oilseeds Exchange from Rs. 20 and Rs. 60 per 250 kgs. to Rs. 40 and Rs. 100 payable when prices rose above Rs. 187 and Rs. 212, respectively. A higher margin of Rs. 150 per 250 kgs. was also brought into operation on members holding a long position in excess of 1,250 metric tons payable when the price rose above Rs. 212. Further, on December 16, a ceiling of Rs. 220 per 250 kgs. was fixed for futures contracts. Castor seeds were exempted from margin requirements when trading in the 1960-61 contracts was permitted in August 1960, but they were brought under the margin regulation on November 13. The margin in respect of castor seeds was first fixed at Rs. 20 payable when the price rose above Rs. 187 per 250 kgs. but later, on December 16, it was raised to Rs. 40 with effect from December 20. On the same date, a new marginal line was introduced at Rs. 177, the margin payable when prices rose above this level being Rs. 20. Subsequently, on December 31, the margin system was further extended to linseed, the margin payable being Rs. 4 when prices rose above Rs. 35 per 50 kgs.

Consumer Price Index.—The trends in the cost of living index were broadly in line with those in the wholesale price index, though the net rise over the year was smaller than in the previous year. The all-India consumer price index for working class (base: 1949 = 100) rose from 121 in March 1960 to 126 by August, but declined subsequently to 123 in January 1961, before rising again to 124 in March 1961. Over the year, the index recorded a net rise of 2·5 per cent, as compared to a rise of 3·4 per cent in 1959-60 and of 6·4 per cent in 1958-59. The annual average for 1960-61, at 124, showed a rise of only 0·8 per cent as compared to 4·2 per cent in the previous year. The relatively small increase in living costs during 1960-61 as compared to that in wholesale prices reflected the comparative stability of food prices throughout the year. Over the Second Plan period, the index of cost of living rose by 24 per cent, which contrasted with a *decline* of 2·9 per cent in the First Plan period.

Region-wise, most of the important centres recorded increases during the year, though the magnitude of the increase varied from centre to centre. Thus, the rise was small in the case of Bangalore (2·8 per cent), Ahmedabad (2·6 per cent), Bombay (2·2 per cent) and Jamshedpur (1·7 per cent), while it was comparatively large in the case of Madras (7·2 per cent), Delhi (4·2 per cent) and Kanpur (4·1 per cent); the last two centres, it may be noted, had recorded declines of 5·6 per cent and 2·0 per cent in 1959-60. In Calcutta, the index at 112 showed no net change over the year as against a rise of 7·7 per cent in the previous year.

IV MONETARY AND BANKING TRENDS

General.—During 1960-61, reflecting the continuing excess liquidity in the economy resulting from growing levels of spending in the public as well as the private sectors, both bank credit and money supply showed a further marked expansion. The rise in scheduled bank credit was almost twice that in 1959-60, while the increase in money supply was about the same as in 1959-60. The slack season contraction in scheduled bank credit proved to be negligible while the busy season expansion reached a new record level. Deposits of scheduled banks, after adjusting for P.L. 480 funds, rose sizeably, but the rise was much less than in the previous year and still lower in comparison with the growth in advances this year. Banks' investments showed a decline during the year, but the decline was largely accounted for by the change in the arrangements for holding of P.L. 480 deposits.

In the context of the generally tight position of banks and the continuing pressure of monetary expansion on the general price level, the Reserve Bank's policy was one of intensifying general credit restraint, which continued to be operated in a flexible way, with due regard to the changing needs of the situation from time to time. The instrument of variable reserve requirements, which was employed for the first time towards the close of the last financial year along with other selective credit restraint measures (referred to in last Report), was tightened in early May 1960. As this had no significant effect on bank credit which continued to be at a high level because of the free and unlimited access of banks to Reserve Bank credit, the general credit controls were intensified in September by a system of slab rates for banks' borrowings from the Reserve Bank and banks were also directed to increase their lending rates. In the busy season, the provisions relating to additional reserve requirements were relaxed first in November 1960 and completely revoked later in January 1961 to ease the position of scheduled banks in a period of financial stringency. Selective credit controls were either extended (as in the case of raw jute and jute goods) or relaxed (as in the case of foodgrains and sugar).

Money Supply.—During 1960-61, money supply with the public recorded an expansion of Rs. 201 crores (to Rs. 2,902 crores) which was about the same as in the preceding year (Rs. 205 crores). The annual rate of expansion, however, after rising from 3·3 per cent in 1957-58 to 8·2 per cent in 1959-60, declined to 7·5 per cent in 1960-61. The year's increase brought the total expansion in money supply during the Second Plan period to Rs. 722 crores (33·1 per cent) as compared to Rs. 199 crores (10·1 per cent) in the First Plan period. Over the two Plans, money supply expanded by Rs. 921 crores or by 46·6 per cent.

Component-wise, currency with the public continued to account for the major portion of the expansion in money supply, the expansion this year (Rs. 167 crores) being larger than in the preceding year (Rs. 139 crores). On the other hand, the rise in deposit money (Rs. 34 crores) was smaller than in 1959-60 (Rs. 66 crores). The share of currency in total money supply thus increased further from 68·9 per cent at the

end of 1959-60 to 69·6 per cent at the end of 1960-61*. As regards seasonal changes, the expansion in the busy season of 1960-61@ was somewhat larger than that in the preceding busy season but the contraction in the slack season of 1960 was considerably below that in the slack season of 1959.

Money Supply with the Public

(Crores of Rupees)

	Variation during the First Plan period 1951-52 to 1955-56	VARIATION DURING					Variation during the Second Plan period 1956-57 to 1960-61	Out-standing on the last Friday of March 1961
		1956-57	1957-58	1958-59	1959-60	1960-61		
		1	2	3	4	5	6	7
1. Currency with the Public	+ 166 (+ 13·0)	+ 52 (+ 3·4)	+ 51 (+ 3·3)	+ 118 (+ 7·3)	+ 139 (+ 8·0)	+ 167 (+ 9·0)	+ 527 (+ 35·0)	2,027
2. Deposit Money	+ 33 (+ 5·0)	+ 77 (+ 11·4)	+ 26 (+ 3·4)	- 8 (- 1·0)	+ 66 (+ 8·5)	+ 34 (+ 4·1)	+ 195 (+ 28·8)	875
3. Money supply with the Public	+ 199 (+ 10·1)	+ 129 (+ 5·9)	+ 77 (+ 3·3)	+ 110 (+ 4·6)	+ 205 (+ 8·2)	+ 201 (+ 7·5)	+ 722 (+ 33·1)	2,902

Note.—Figures in brackets are percentage variations.

For purpose of analysis of money supply with the public, the transactions of the banking sector may be grouped under three broad categories, namely, (i) the net changes in the foreign assets held by the Reserve Bank and banks@@, (ii) credit extension by the Reserve Bank and banks** to the public (including holdings of shares and bonds), adjusted for changes in the time liabilities of banks and (iii) net bank credit to Government (including Government's net currency liabilities to the public); this includes purchases by the Reserve Bank of Government securities (including *ad hoc* Treasury bills), rediscount of Treasury bills and grant of loans and advances to Government, as well as investments by banks in Government securities, net of changes in Government balances with the Reserve Bank†.

During the Second Five Year Plan, bank credit to Government has been the most important factor accounting for the increase in money supply. It is, however,

* If account is taken of quasi-money, i.e. banks' time liabilities also, it would appear that deposit money as a proportion of total money supply has been rising as compared to currency in recent years, owing to the sizeable increase in banks' time deposits. The ratio, after going up marginally from 42 to 43 per cent in the First Plan, spurted up to about 47 per cent (after excluding P.L. 480 deposits) by the end of the Second Plan.

@ Ignoring the return of currency from Kuwait (Rs. 27 crores)

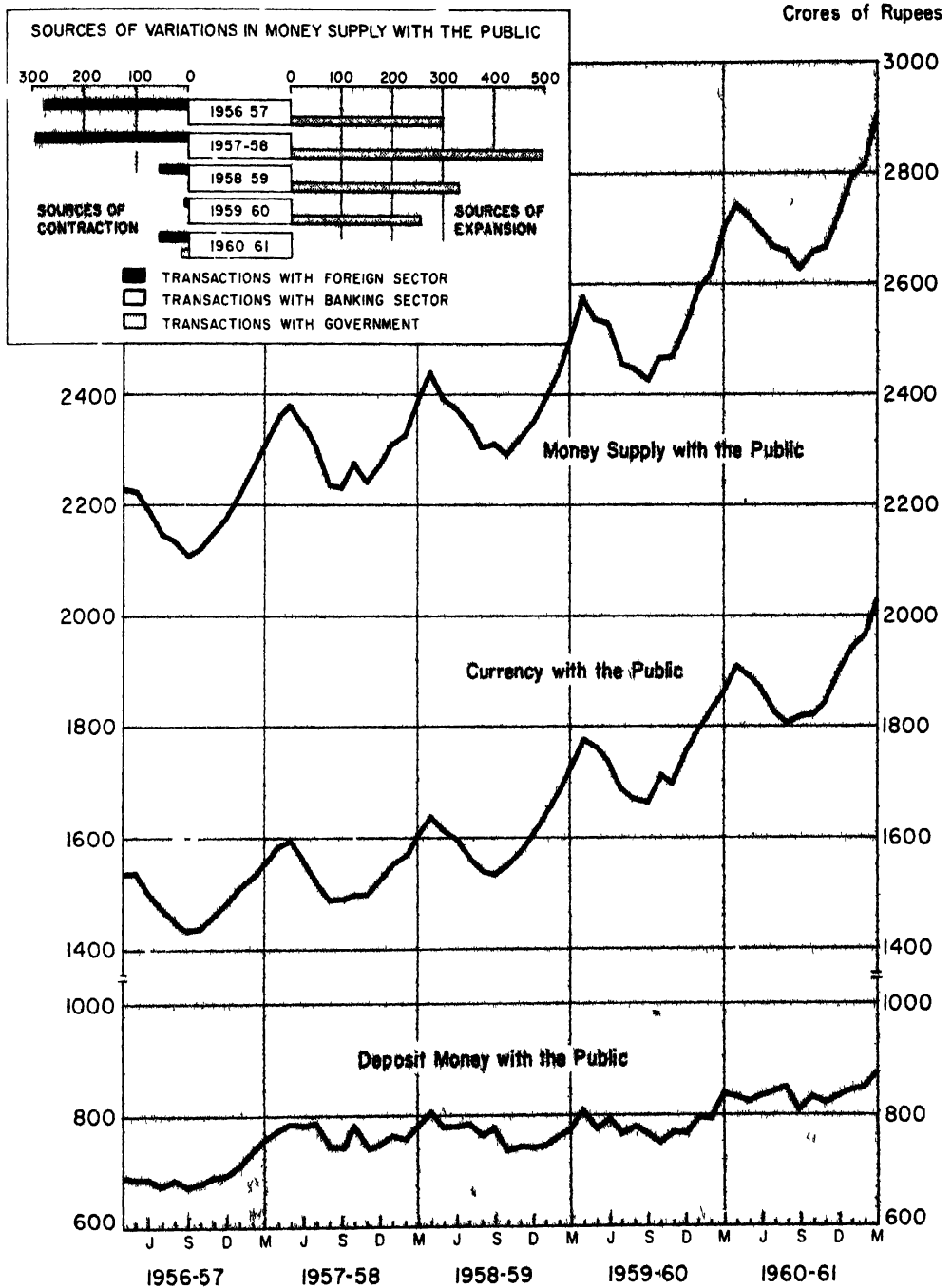
@@ The change in net foreign assets reflects the transactions not only of the public with the foreign sector but also those of the Government. However, it is difficult to isolate the effects of these two sets of transactions. In the analysis presented here, therefore, the expansionist impact on money supply of both the public and the private sectors would be overstated inasmuch as both the sectors accounted for the decline in net foreign assets.

** Covers scheduled, non-scheduled and State Co-operative banks.

† A complete discussion of the factors affecting money supply is given in the article "Analysis of money supply in India" in the July 1961 issue of the Reserve Bank Bulletin.

GRAPH 6

MONEY SUPPLY WITH THE PUBLIC



necessary to state in this connection that the Government sector's budget deficit since 1956-57 has been overstated because of the manner in which the transactions relating to the United States P.L. 480 assistance have taken place. The bulk of the counterpart funds created against P.L. 480 imports and lodged with the State Bank was to be given back to Government in the form of loans and grants, but because of technical delays, the United States Embassy could not transfer the rupee balances to Government. The funds thus remained with the State Bank, principally in the form of time deposits and were invested mostly in Government securities by the State Bank. Bank credit to Government was thereby inflated to the extent of such investments. If, however, these balances were regarded as time deposits of the Government sector, the figure of bank credit to Government would be reduced to that extent. The public's net indebtedness to banks would increase correspondingly. From May 12, 1960, the P.L. 480 counterpart funds are placed with the Reserve Bank of India and invested in Special securities.

In 1960-61, bank credit to the private sector@ showed a record expansion of Rs. 249 crores as compared to Rs. 138 crores in 1959-60 and Rs. 47 crores in 1958-59. Investments of banks in shares and bonds declined by Rs. 6 crores in contrast with a rise of Rs. 17 crores in the preceding year. At the same time, banks' time liabilities declined by Rs. 51 crores in contrast to increases of Rs. 215 crores and Rs. 196 crores, respectively, in 1959-60 and 1958-59. It may be noted, however, that this was mainly attributed to the change in the arrangements for holding P.L. 480 deposits, effective May 12, 1960, whereby (i) these funds, which prior to that date had been deposited with the State Bank, have since been flowing direct to Government through purchase, by the U.S. Embassy, of special securities and (ii) also, past accumulation of such funds with the State Bank of India accrued to Government in monthly instalments of Rs. 12 crores each, beginning from July 1960. While in the four years 1956-60, these deposits had been built up with the State Bank, in 1960-61 they underwent a depletion. In fact, the decline in banks' time liabilities during the year was more than accounted for by the withdrawal of these deposits from the State Bank. If these deposits are treated, for reasons given earlier, as Government deposits, banks' net credit to the private sector would show an increase of Rs. 183 crores in 1960-61, as compared to Rs. 49 crores in 1959-60.

In 1960-61, extension of bank credit to Government, adjusted for P.L. 480 counterpart funds*, amounted to Rs. 109 crores†. A comparison of similar figures for the preceding years shows that the extension of bank credit to Government declined progressively since 1957-58, amounting to Rs. 405 crores in that year, Rs. 245 crores in 1958-59 and Rs. 174 crores in 1959-60.

@ Adjusted for excess of inter-bank assets over inter-bank liabilities.

* The figures for P.L. 480 funds are approximations since precise figures are not available.

† As would appear from Statement 23 bank credit to Government, *unadjusted* for P.L. 480 funds, showed a small *decline* of Rs. 8 crores in 1960-61 as against sizeable increases of Rs. 264 crores in 1959-60, Rs. 333 crores in 1958-59 and Rs. 502 crores in 1957-58, mainly because of the direct flow of P.L. 480 counterpart funds to Government under the new procedure for holding these funds.

The balance of payments deficit exerted a contractionist influence on money supply. The deficit, as measured by the decline in net foreign assets of the Reserve Bank and banks**, amounted to Rs. 64 crores in 1960-61. In 1959-60, there had been a small surplus of Rs. 3 crores.

The seasonal changes in money supply were influenced by the continued high level of demand for bank credit by the private sector. After the sharp rise of Rs. 276 crores in the 1959-60 busy season, money supply with the public declined by only Rs. 86 crores in the 1960 slack season@@. This was less than the contraction both in the 1959 slack season (Rs. 112 crores) and in the 1958 slack season (Rs. 158 crores). The smaller contraction in money supply in the 1960 slack season was mainly due to a contra-seasonal rise in bank credit to the private sector. In the 1960-61 busy season, the expansion in money supply with the public (Rs. 282 crores)†† was somewhat larger than in the 1959-60 busy season (Rs. 276 crores). It was brought about mainly by a record expansion in bank credit to the private sector (Rs. 189 crores).

As stated already, the expansion in money supply during the Second Plan period was more than three times that in the First Plan. In the first two years of the Plan although Government's resort to bank credit was unusually large, the pace of expansion in money supply was held down by substantial balance of payments deficits. In the following years, with a sharp diminution in this contractionary influence, the pace of monetary expansion quickened, despite a scaling down of budgetary deficits, mainly because of a strong upsurge of the private sector's demand for bank credit.

Money Market Trends.—The year under review witnessed a record expansion in credit extended by the scheduled banks, a small decline in their deposits and a sharp fall in their investments and cash reserves. The trends in deposits and investments were, however, obscured by the changes in the arrangement for the holding of P.L. 480 funds.@ Though, over the year, total deposits showed a small fall, exclusive of P.L. 480 funds, they showed a rise; but there was a considerable slowing down in the rate of growth. During the year, aggregate liabilities of scheduled banks registered a fall of Rs. 21 crores, as against a sharp rise of Rs. 267 crores in 1959-60*. Time liabilities which had grown rapidly since 1956-57 fell during the year 1960-61 by Rs. 58 crores mainly because of the change in the placement of P.L. 480 funds in contrast to a sharp rise of Rs. 208 crores in the previous year. Demand liabilities showed an increase of Rs. 36 crores to Rs. 818 crores but the rise was smaller

** Changes in gross foreign assets are adjusted for the changes in the foreign exchange liabilities to the I.M.F. as represented by the I.M.F. Account No. 1 with the Reserve Bank.

@ For purposes of seasonal analysis of money supply as well as banking trends, the six months period November-April has been uniformly taken as the busy season and the period May-October as the slack season.

†† Ignoring the return of currency from Kuwait (Rs. 27 crores).

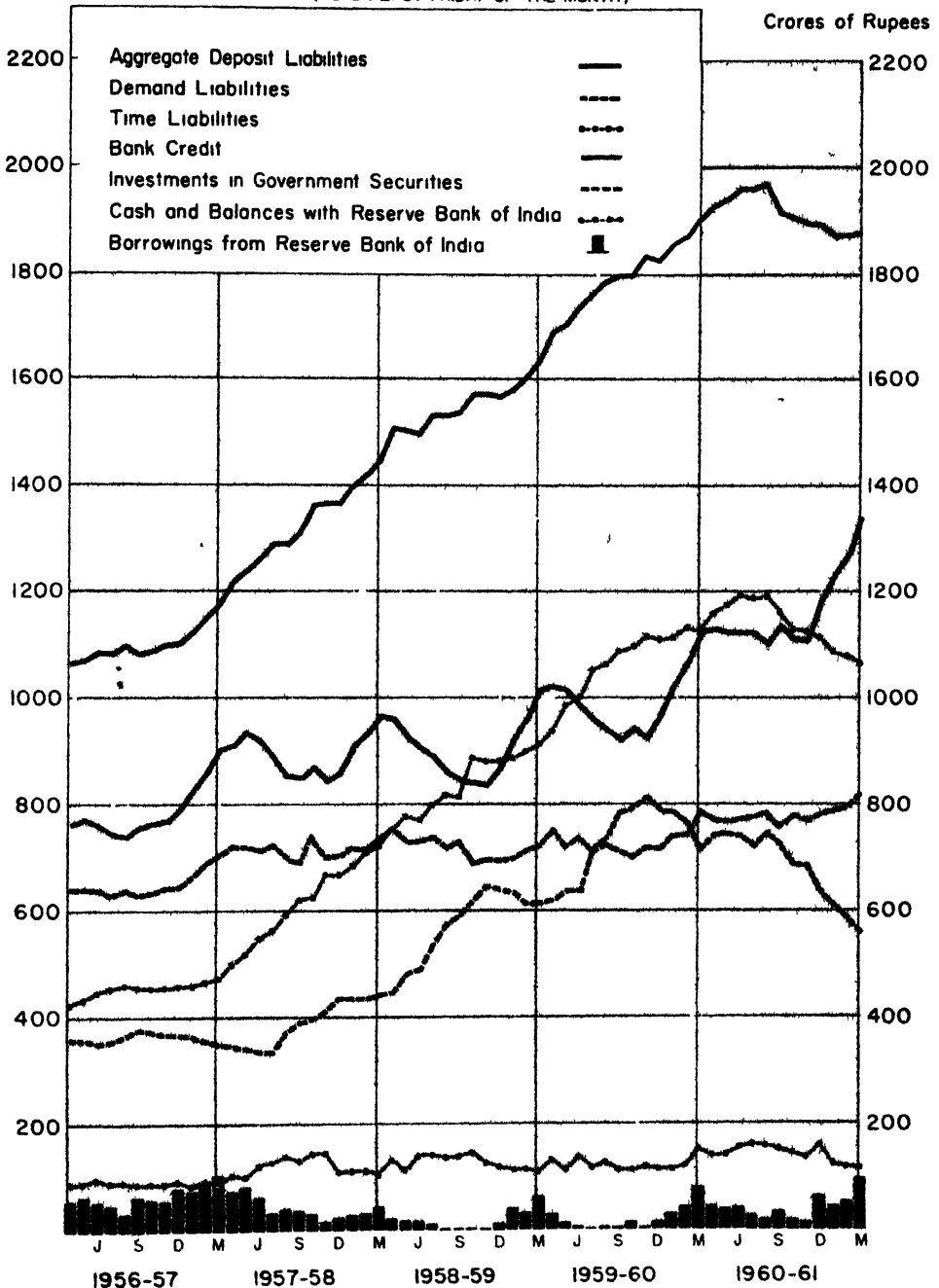
α In analysing the figures relating to both aggregate deposit liabilities and investments in Government securities, note should be taken of the changed procedure, since May 12, 1960, in regard to the placement of P.L. 480 counterpart funds; the new arrangements result in an over-statement of the declines and an under-statement of the increases in the above two items since that date, whereas in the earlier period the reverse was the case.

* The data for scheduled banks as at the end of March 1961 are not strictly comparable with those at the end of March 1960 owing to a reduction in the number of reporting banks; this, however, does not materially affect the general trend.

GRAPH 7

TRENDS IN SELECTED ITEMS OF LIABILITIES AND ASSETS OF SCHEDULED BANKS

(AS ON LAST FRIDAY OF THE MONTH)



than in 1959-60 (Rs. 59 crores). An important reason for the slower growth of deposits (exclusive of P. L. 480 funds) in 1960-61 appeared to be the smaller order of deficit financing (as measured by the extension of bank credit to the Government) in 1960-61 than in 1959-60. Secondly, the net sales of sterling during 1960-61 as against net purchases in the previous year, were also responsible to some extent for the slowing down in the rate of growth of deposits. Thirdly, following the closure of two scheduled banks, one in May and the other in August, public confidence in the banking system appeared to have been affected to some extent, leading to a run on some banks and though this proved short-lived and was confined to one or two specific areas, there was some diversion of deposits to post offices. Finally, there also appeared to have been a diversion of deposits to a few industrial companies who were prepared to offer higher rates of interest than those quoted by banks.

As against a slowing down in the rate of growth of deposit resources during the year, scheduled bank credit showed a record expansion of Rs. 208 crores (18 per cent) to Rs. 1,336 crores as compared to Rs. 114 crores (11 per cent) in 1959-60 and Rs. 51 crores (5 per cent) in 1958-59. The record expansion in 1960-61 was indicative of larger investment activity both in the public and private sectors, the need for financing larger stocks with industry and trade, and rising prices, especially of industrial raw materials and manufactures.

Net Variations in the Principal Items of Assets and Liabilities of Scheduled Banks

(Crores of Rupees)

	First Five Year Plan	Second Five Year Plan	Financial Year		Slack Season of 1959 (May- Oct.)	Busy Season of 1959-60 (Nov.- April)	Slack Season of 1960 (May- Oct.)	Busy Season of 1960-61 (Nov.- April)	Out- stand- ings as on April 28, 1961.
			1959-60	1960-61					
1. Aggregate Deposit Liabilities (Net)	..	+162.5	+837.4	+267.0	- 21.4	+106.5	+130.9	- 23.3	+ 9.3 1,915.7
1. (a) Demand	..	+ 38.3	+186.7	+ 59.0	+ 36.2	- 53.2	+ 69.8	+ 7.4	+ 52.6 831.1
(b) Time	..	+124.3	+650.7	+208.1	- 57.6	+159.6	+ 61.1	- 30.7	- 43.3 1,084.6
2. Borrowings from Reserve Bank of India	..	+ 52.7	+ 29.5	+ 17.6	+ 15.1	- 13.4	+ 29.8	- 27.0	+ 21.5 38.2
3. Borrowings from State Bank	- 1.2	+ 2.0	+ 1.7	- 3.3	+ 8.3	- 4.0	+ 5.0 15.1
4. Bank Credit	..	+214.3	+575.1	+114.2	+208.4	- 79.0	+188.9	- 20.3	+198.5 1,308.6
5. Investments in Government Securities	..	+ 43.8†	+198.7	+101.4	-156.2	+178.0	- 52.5	- 52.3	-126.3 563.0
6. Cash Reserves	..	- 8.6	+ 31.9	+ 45.2	- 36.3	- 21.1	+ 29.7	+ 4.2	- 23.2 121.3
7. Inflow (+) or Outflow(-) of funds from/ to London	- 9.2	+ 1.4	+ 11.8	- 5.2	+ 2.3	+ 6.3	+ 2.6

† Based on Form XIII returns.

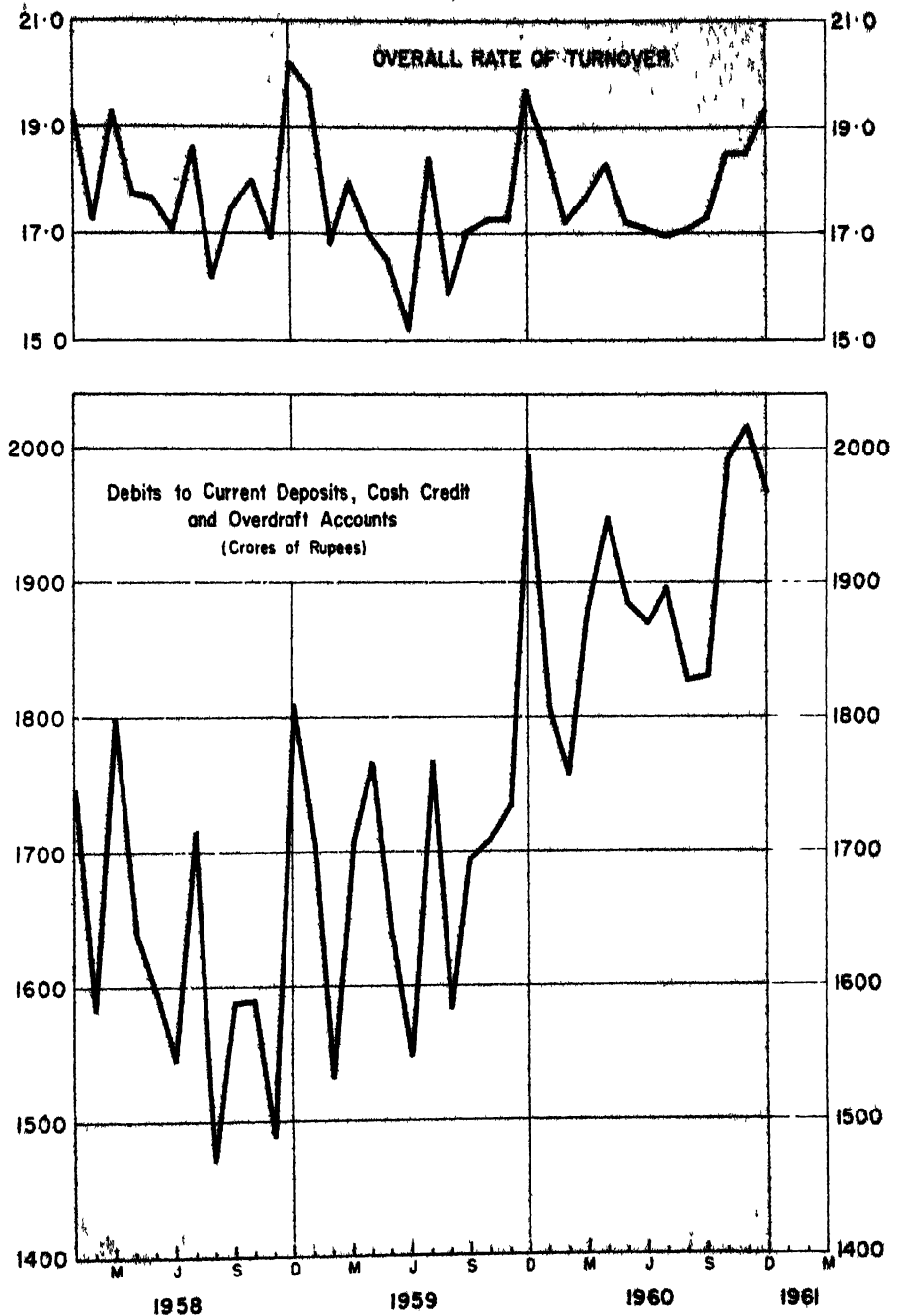
In the context of the factors stated above, scheduled banks' credit-deposit ratio rose to a high of 71 per cent at the end of March 1961 as compared to 59 per cent a year ago. The short-fall in deposit resources relative to the rise in the demand for funds during the year was made up by the banks (i) partly by liquidation of investments in Government securities, (ii) partly by drawing down their cash reserves and (iii) partly by larger recourse to the Reserve Bank. Scheduled banks' investments in Government securities declined by Rs. 156 crores, in contrast to an addition of Rs. 101 crores in the preceding year. Cash and balances with the Reserve Bank also were drawn down by Rs. 36 crores to Rs. 117 crores as against an increase of Rs. 45 crores in 1959-60. Consequently, the investment-deposit ratio dropped over the year from 37.6 to 29.7 per cent and the cash ratio from 8.0 to 6.2 per cent. The outstanding amount of borrowings of the scheduled banks from the Reserve Bank as on March, 31, 1961 was as high as Rs. 95 crores as compared with Rs. 79 crores at end-March 1960, although the net addition to their borrowings during the year (Rs. 16 crores) was somewhat lower than that (Rs. 18 crores) in the preceding year. The average of outstanding borrowings from the Reserve Bank during the year was also higher at Rs. 43 crores as compared to Rs. 19 crores in the preceding year. The scheduled banks' net balances with the Reserve Bank (i.e., after adjusting for their borrowings from the Reserve Bank) showed a fall of Rs. 35 crores in contrast to a rise of Rs. 9 crores in the previous year. The inflow of short-term funds from London through the banking system was much higher during the year at Rs. 11.8 crores as compared with Rs. 1.4 crores in 1959-60.

Slack Season of 1960.—The trends in the 1960 slack season were appreciably different from those in the earlier slack seasons. On the one hand, the contraction of credit was markedly lower, being only of the order of Rs. 20 crores as compared to Rs. 79 crores and Rs. 118 crores, respectively, in the slack seasons of 1959 and 1958. Deposit liabilities, on the other hand, showed a decline and this factor coupled with the measures taken by the Reserve Bank in early May 1960 to enhance additional reserve requirements (for details see the paragraphs on credit policy), and the continuing high level of credit led to a net disinvestment of Government securities. It may, however, be emphasized that there was an appreciable contraction (Rs. 108 crores) in advances against seasonal commodities but this was offset to a large extent by the sharp rise in credit against non-seasonal commodities (Rs. 86 crores). This was mainly the result of the substantial rise in the rate of growth of industrial output and the increase in investment activity in the economy. Scheduled banks' deposit liabilities showed a contraction of Rs. 23 crores in the 1960 slack season as against a substantial rise of Rs. 107 crores in the preceding slack season. The banks also reduced their borrowings from the Reserve Bank by Rs. 27 crores. As a result of these factors, banks' portfolio of Government securities showed a decline of Rs. 52 crores as against a rise of Rs. 178 crores in the previous slack season.

Busy Season of 1960-61.—On the eve of the busy season of 1960-61 (November 1960 to April 1961), the scheduled banks' liquidity position was considerably strained because of the continued high level of credit relative to the deposit resources. With a view, therefore, to assisting banks to meet the seasonal demand for credit and in consonance with its policy of operating its controls in a flexible

GRAPH 8

SCHEDULED BANKS' DEBITS AND RATE OF TURNOVER*
(BUSINESS AND INDIVIDUALS)



* Relates only to offices operating in towns with population of one lakh and over

manner, the Reserve Bank removed in two stages, viz., on November 11, 1960 and January 13, 1961), the provisions relating to additional reserve requirements (for details see the paragraphs on credit policy). The busy season expansion in bank credit amounted to Rs. 199 crores, thus exceeding the expansion of Rs. 189 crores recorded in the 1959-60 busy season. The major factors contributing to this large expansion were the continued upswing in industrial activity and special causes operating towards accumulation of stocks of raw cotton and sugar with mills. The rise in advances against industrial raw materials at Rs. 82 crores was much larger than that (Rs. 46 crores) in the 1959-60 busy season.

In contrast to the trend in bank credit, the aggregate deposit liabilities showed only a small increase of Rs. 9 crores in the 1960-61 busy season as compared to a sharp rise of Rs. 131 crores in the previous busy season. A rise of Rs. 53 crores in demand liabilities was largely offset by a decline of Rs. 43 crores in time liabilities mainly arising from the transfer of P.L. 480 funds by the State Bank of India. The short-fall in resources was made good by banks by heavy liquidation of Government securities, borrowings from the Reserve Bank and drawing down of cash balances. Investments of banks in Government securities dropped sharply by Rs. 126 crores as compared to only Rs. 52 crores in the 1959-60 busy season. A part of the decline was accounted for by the transfer of P.L. 480 funds from the State Bank of India. The banks' cash balances were reduced by Rs. 23 crores in contrast to an accretion of Rs. 30 crores in the previous season. Borrowings from the Reserve Bank rose sharply to the season's peak at Rs. 95 crores by end-March 1961 after which, however, they showed a decline following a fall in credit.

First and Second Plan Periods.—Although there was a decline in deposits during 1960-61, the overall rate of growth in deposits in the Second Plan period taken as a whole was very marked. During the Second Five Year Plan (1955-56—1960-61), the total accretion to deposits (Rs. 837 crores) was more than five times that in the First Five Year Plan (1951-52—1955-56). The annual average increase in the Second Plan period amounted to Rs. 167 crores as against Rs. 33 crores in the First Plan period. Of the total increase in deposit liabilities during 1956-61, as much as Rs. 651 crores was accounted for by time liabilities and the balance of Rs. 187 crores by demand liabilities. A sizeable part of the increase in time liabilities accrued from P.L. 480 funds. It is significant to note that along with the growth in the amount, the structure of liabilities also underwent significant changes. Demand liabilities which had formed the greater proportion of aggregate liabilities (67·3 per cent) at the end of March 1951, came down to 60·5 per cent at the end of March 1956, and further to 43·5 per cent at the end of March 1961. On the other hand, time liabilities expanded nearly four times over the decade, with their proportion rising from 32·7 per cent at the end of 1950-51 to as high as 56·5 per cent at the end of the Second Plan period. There was also an impressive growth in bank credit during the two Plan periods, the growth in bank credit during the Second Plan period being as much as Rs. 575 crores (or 76 per cent) as compared to Rs. 214 crores (or 39 per cent) in the First Plan period. Scheduled banks' investments in Government securities also moved up by Rs. 199 crores in the five years 1956-61, as compared to only

Rs. 44 crores in the preceding quinquennium, the bulk of the rise during the Second Plan period being on account of P.L. 480 funds.

Money Rates.—The unusually high credit demand in the face of a slackening in the rate of growth of deposits, coupled with the cumulative effect of the various monetary restraints imposed by the Reserve Bank since March 11, 1960, resulted in stringent conditions in the short-term money market almost throughout the year under review. In Bombay, the call rate among larger banks, which had touched a level of 3·50 per cent in mid-December 1959, did not show any signs of easing even with the advent of the slack season and continued at that level upto end-September 1960, and further hardened to 4·50 per cent by October 22. There was some easing of money rates after the November 11 relaxation of the reserve requirements and the call rate came down to 3·75 per cent on November 19. Subsequently, however, with the progress of the busy season the rate firmed up gradually, touching a high of 5·25 per cent on January 7, 1961 at which level it remained unchanged upto the end of March. The inter-bank call rate in Calcutta followed more or less the same trend. The discount rate on Central Government Treasury bills stood at 2·75 per cent upto July and, after declining temporarily to 2·54 per cent in September, rose again by stages to 2·75 per cent by March 1961.

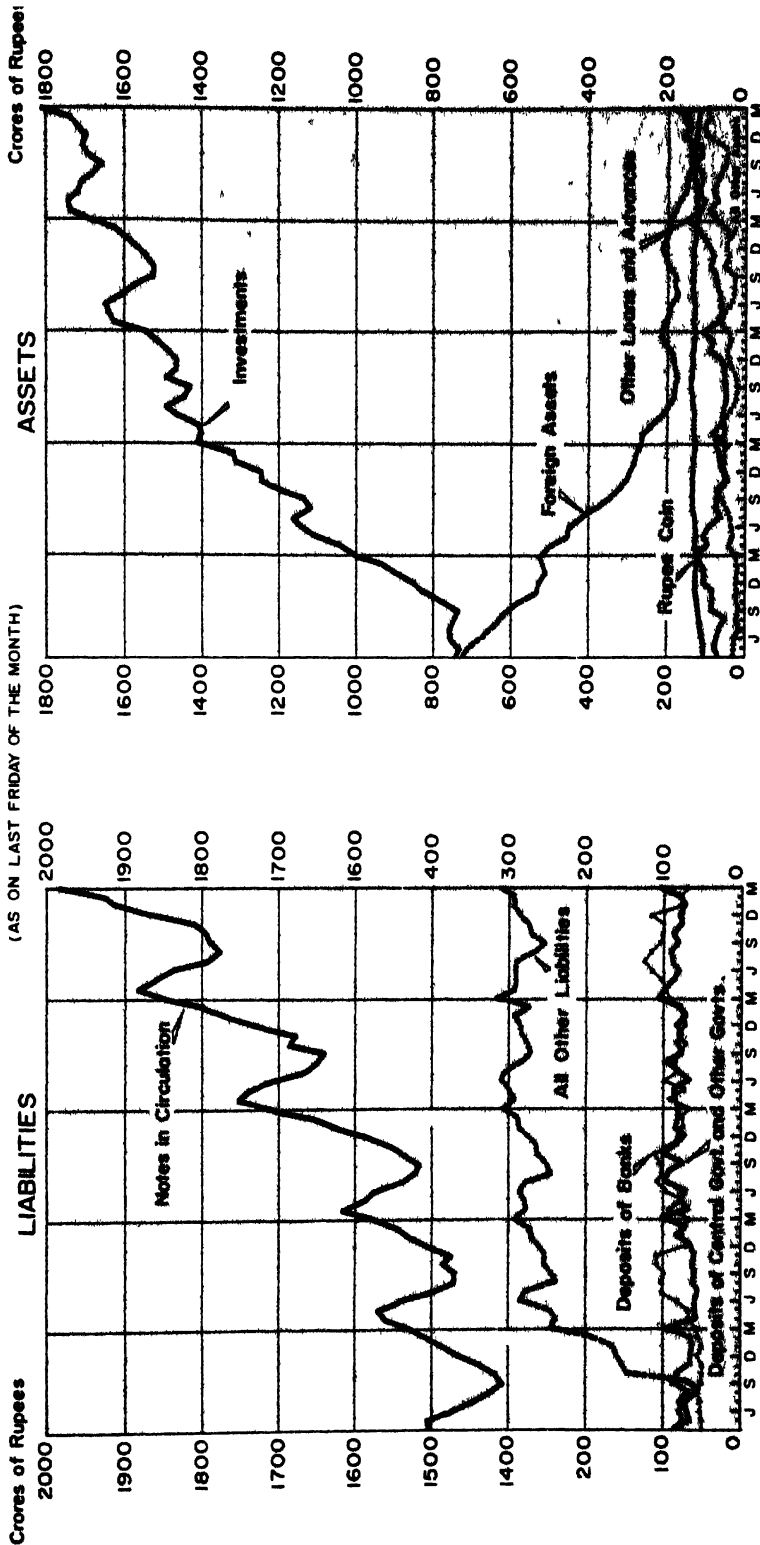
The rate on deposits at seven days' notice in Bombay declined from 3·37 per cent in May 1960 to 3·20 per cent in August. From October 1, this rate was reduced to 2 per cent—the ceiling placed by the Reserve Bank on the rate of interest payable on term money or notice deposits not exceeding 21 days,* in terms of its directive dated September 21, 1960. The rates of interest on term deposits generally continued to be at the ceiling levels fixed under the Inter-bank Agreement on deposit rates. This Agreement (which has been in force since October 1958) was revised thrice during 1960-61, in August and November 1960 and March 1961. The net effect of these revisions was to raise the rates on certain slabs of deposits. The changes effected in August mainly related to the reduction in the maximum interest rate on deposits at seven days' notice from 3-3/8 per cent to 3 per cent and that on term deposits under three months from 3-3/8 per cent to 3-1/4 per cent. The revised Agreement of November 14, 1960, was designed mainly to bring the rates on deposits in conformity with the directive on deposit rates issued by the Bank on September 21. Following the withdrawal of the Reserve Bank's directive on deposit rates on February 22, 1961, the Agreement was further revised in March. This latest revision which came into effect from March 15, 1961 prescribed the ceiling rates on notice money and on term deposits of 3 to 30 days at 3 per cent. The November 14 revision had fixed the ceiling rate on term deposits of 61 days and over but less than 12 months at 3-1/2 per cent. The latest revision bifurcated this slab into (i) deposits of 61 days to 90 days and (ii) 91 days to less than 12 months. While the former slab continued to be subject to the ceiling of 3-1/2 per cent, the rate on the latter category was fixed at 3¾ per cent. In the case of deposits for (i) 12 months and over but less than 24 months, (ii) 24 months

*After the removal of this restriction in February, the rate again moved up to 3 per cent in March 1961.

GRAPH 9

1

LIABILITIES AND ASSETS OF THE RESERVE BANK OF INDIA ISSUE AND BANKING DEPARTMENTS COMBINED (AS ON LAST FRIDAY OF THE MONTH)



1956-57 1957-58 1958-59 1959-60 1960-61

Note The sharp rise in 'Other Liabilities' in October 1956 was due to the establishment of a special reserve fund as a counterpart to the higher valuation of gold holdings

1956-57 1957-58 1958-59 1959-60 1960-61

Note Gold holdings of the Bank remained unchanged in quantity at 71 million ozs. and were valued at Rs 40 crores upto October 5, 1956 and at Rs 117.8 crores thereafter.

and over but less than 48 months and (iii) 48 months and over but less than 60 months, the ceiling rates have been raised by $\frac{1}{2}$ per cent. Deposits of 60 months and over will be subject, in terms of the latest revision, to a ceiling of 5 per cent as against $4\frac{1}{2}$ per cent in terms of the November 14 revision. In addition, effective April 1, 1961, the maximum rate of interest on savings bank accounts, which had continued unchanged at $2\frac{1}{2}$ per cent originally fixed when the Inter-bank Agreement was first concluded in October 1958, was raised to 3 per cent. The details of the various rates under the latest revision compared with the previous position are given below:

(Per cent per annum)			
Type of deposit	Time-Group	Rates effective prior to revision of March 1961	Rates as revised in March 1961
1. Current Accounts		1/4%	1/4%
2. Notice Money	(a) At a withdrawal notice of 3 days upto (and including) 21 days	2%	3%
	(b) At a withdrawal notice of more than 21 days	3%	
3. Savings Bank Accounts		2-1/2%	3%
4. Term Deposits	(a) 3-21 days	2%	3%
	(b) 22-30 days	3%	
	(c) 31-60 days	3-1/4%	3-1/4%
	(d) 61 days upto less than 12 months	3-1/2%	(i) 61-90 days 3 1/2 % (ii) 91 days to less than 12 months 3 3/4 %
	(e) 12 months and over to less than 24 months	3-3/4%	4%
	(f) 24 months to less than 48 months	4%	4-1/4%
	(g) 48 months to less than 60 months	4-1/4%	4-1/2%
	(h) 60 months and over	4-1/2%	5%
5. Cash Certificates	(a) 3-5 years	4% compound	4% compound
	(b) 5 years and above	4-1/4% "	4-1/4% "

Credit Policy.—During the year under review, the Bank pursued an active monetary policy adapted to the changing tempo of the economy. Till September, with a view to restraining the excess monetary demand in the economy, the general credit restraint measures initiated in March 1960 were further intensified first in May by raising the additional reserve requirements and later in September through a system of slab rates, which sought to curb scheduled banks' excessive reliance on Reserve Bank accommodation, and also through a directive requiring the banks to step up their lending rates so as to exercise a measure of discipline on the borrowers. Later, with a view to easing the pressure of seasonal stringency, the Bank withdrew in two stages the additional reserve requirements in November and January. Within this policy of overall credit control, selective credit controls were also operated with suitable modifications in the light of the supply and demand position of the controlled commodities. Thus, the controls on bank advances against sugar and foodgrains were relaxed while raw jute and jute goods were brought under the purview of selective credit control for the first time.

General Credit Control.—Mention was made in last year's Report of a series of measures taken by the Bank to curb the high level of aggregate monetary demand in the economy, to restrain the volume of bank credit against equity shares and to reduce the liquidity of the banking system. These included the impounding of additional deposits equal to 25 per cent of the increase in total liabilities since March 11, 1960, the ban on *budla* financing by banks, and the extension of credit curbs to advances against equity shares as well as to unsecured loans. With the advent of the slack season, a tightening of the variable reserve requirements was considered desirable so as to ensure satisfactory reduction in credit in the context of the large expansion in the preceding busy season. Accordingly, the quantum of additional deposits to be maintained with the Reserve Bank was raised to 50 per cent, effective May 6, 1960. It was also decided to confine advances under the Bill Market Scheme during June-September 1960 only to such banks as had availed themselves of the facilities in the preceding busy season and to restrict the relative credit limit to each of these banks to the maximum amount of its borrowings between the period October 31, 1959 and May 9, 1960.

The additional reserve requirements had a marked impact on the liquidity position of scheduled banks, but their effect on bank credit in the immediately following slack season was negligible. As has been mentioned earlier, the rate of credit contraction in the 1960 slack season was very small, the reduction in seasonal advances being largely offset by an increase in advances against non-seasonal commodities. The high level of bank credit during the slack season of 1960 was facilitated by larger borrowings from the Reserve Bank which on September 23 stood substantially higher at Rs. 47 crores than a year before (Rs. 3 crores) and by the liquidation of investments in Government securities. Some stronger measures to limit the expansion of bank credit by imposing a check on banks' unlimited access to Reserve Bank credit were thus called for. Accordingly, the Bank announced on September 21, 1960 its decision to introduce with effect from October 1, a system of graded lending rates keeping the Bank rate unchanged at 4 per cent. The main features of the September measures were:

Effective October 1, 1960, each scheduled bank was assigned in respect of borrowing from the Reserve Bank a quota for each quarter equal to half of the average amount of the statutory reserves required to be maintained by it under Section 42 (1) of the Reserve Bank of India Act during each week of the previous quarter. Borrowings within the quota limit were to be charged interest at the Bank rate. Any borrowing over this limit upto 200 per cent of the quota would bear a penal rate of 1 per cent over the Bank rate, and borrowings above 200 per cent of the quota a penal rate of 2 per cent above the Bank rate. Since the rates applied to borrowings under both the sub-sections 4(a) and 4(c) of Section 17 of the Reserve Bank of India Act, it was considered no longer necessary to fix separate ceilings for individual banks for borrowings under the Bill Market Scheme. Simultaneously, the Reserve Bank directed that from October 1, 1960, (i) all scheduled banks should (a) adhere to a minimum lending rate of five per cent per annum on all advances, existing or new, clean or secured, but excluding advances to other banks (including co-operative banks) and their own employees

and (b) raise their average lending rate at least by one half of one per cent, the base period for comparison being the year ended June 30, 1960. By a circular dated December 13, 1960, the Bank exempted from the stipulation regarding average lending rate, cases where the average lending rate of a bank was 9 per cent per annum or more as on June 30, 1960. The Bank also directed the scheduled banks on September 21, 1960, not to pay interest at a rate higher than 2 per cent below the Bank rate on deposits repayable on the expiry of a period not exceeding 21 days from the date of deposit or on notice of not more than 21 days.

Following the September measures scheduled bank credit declined by Rs. 29 crores between September 30 and November 25, 1960 in contrast to a rise of Rs. 3 crores in the corresponding period of the previous year. Also, all scheduled banks raised their lending rates in accordance with the directive and quite a few raised their lending rates by more than one half of one per cent. It is important to note that while the Bank raised the cost of credit so as to prune down less urgent demands and generally restrain recourse to itself, it placed no restriction on the volume of credit it would make available to scheduled banks.

With the advent of the busy season and the emergence of acute stringency in the money market, the question of the continuance of the additional reserve requirement had to be reconsidered. Therefore, in conformity with the Bank's policy of operating credit regulation measures in a flexible manner, the Bank withdrew in two stages the directive issued on May 5 regarding the maintenance of additional statutory reserves with the Reserve Bank. Effective November 11, 1960, further impounding of the increase in liabilities over the level of November 11 was suspended and about half of the reserves already impounded amounting to Rs. 13 crores was also released, this being done through refixing of the additional reserve requirement at 25 per cent of the increase between March 11 and November 11. Subsequently, the additional reserve requirement was completely revoked with effect from January 13, 1961 releasing another Rs. 13 crores of reserves to banks. In the context of a slowing down in the rate of deposit growth and the acute stringency in the money market, the Bank also removed with effect from February 22, 1961, the ceiling of 2 per cent on interest on deposits repayable on the expiry of a period not exceeding 21 days or on notice of not more than 21 days.

Selective Credit Controls.—Selective credit controls were also modified during the period under review; they were relaxed in the case of sugar and foodgrains and extended to cover advances against raw jute and jute goods. Except for minor modifications made in the directive on February 8, 1961, the provisions of the control on advances against groundnuts and other oilseeds continued to be the same as in last year.

In view of the generally comfortable supply position of wheat and the assurance of additional wheat supplies under the P.L.480 Agreement, it was no longer considered necessary to retain separate ceiling limits on advances against wheat in respect of offices and branches of banks in the States of Punjab, Himachal Pradesh, Delhi and Jammu and Kashmir. Hence, effective August 20, 1960, the two-fold classification of States in respect of ceiling limits on advances against wheat was abolished

and the ceiling limits prescribed were made applicable for the whole country. On August 21, 1960, credit restrictions against paddy and rice in the State of Kerala, were temporarily liberalised in order to meet the additional credit requirements of traders in that State. Scheduled banks operating in the State of Kerala, were allowed to maintain at their branches or offices in that State, during August, September and October 1960, an average aggregate level of credit not exceeding 200 per cent of such credit maintained by their branches and offices in that State in the corresponding months of 1959. This liberalisation was extended twice thereafter and was available upto June 1961. On October 8, 1960, the margin requirement in respect of each credit limit granted to licensed traders and millers in the State of Punjab against the security of paddy and rice was reduced from 40 to 25 per cent. In view of the improvement in supply and price situation of foodgrains, the Bank relaxed on February 8, 1961, the provisions of the directive as regards margin requirements in respect of all foodgrains, reducing the minimum margin requirements from 40 per cent to 35 per cent. At the same time, the ceiling limits in respect of advances against paddy and rice were increased. The banks were permitted to maintain advances against paddy and rice in each two-month period beginning with March-April 1961 in States other than Andhra Pradesh at 110 per cent of the average level permitted to be maintained in the corresponding two-month period of 1960. With the creation of a new food zone comprising of Madhya Pradesh, Maharashtra and Gujarat, the separate ceiling limit for Madhya Pradesh in respect of advances against paddy and rice was also abolished, thus leaving only a two-fold classification of States, viz., (1) Andhra Pradesh and (2) other States. With a further improvement in the supply and price situation of wheat, the Bank withdrew, effective May 15, 1961, all restrictions placed on advances against wheat.

Against the background of a comfortable supply position of sugar, prospects of a good sugar-cane crop for the current crop year and stability in sugar prices, the Bank relaxed, on December 9, 1960, the margin requirement in respect of advances against sugar, from 45 per cent to 25 per cent. Subsequently, in view of the significant rise in sugar output in the 1960-61 season and the sharp rise in stocks with mills, the margin requirement was completely withdrawn on April 21, 1961.

The latter half of 1960 witnessed a sharp rise in the price of jute goods as well as of raw jute. Over the year ended November 1960, prices of raw jute and jute goods had risen by 72 per cent and 54 per cent, respectively. Advances against raw jute rose from Rs. 11 crores on October 28, 1960 to Rs. 13 crores on November 11, 1960; at this level, they were 31 per cent above the level a year before. Between August 1960 and November 1960, advances against jute textiles had risen from Rs. 20 crores to Rs. 26 crores, being 77 per cent higher than the level a year before. It was in this context that the Reserve Bank decided to regulate bank advances against raw jute and jute goods. The main provisions of the directive issued on December 12, 1960, were (1) a minimum margin of 25 per cent in respect of advances to jute mills and of 40 per cent to others on the value of the stocks of raw jute (2) a minimum margin of 40 per cent in respect of advances against the security of jute goods and (3) a ceiling limit in each two-month period commencing from January 1961, not

exceeding 130 per cent of the average aggregate level of advances against jute goods granted in the corresponding two-month period of 1960. By subsequent amendments (dated February 24, 1961 and April 24, 1961), the margin requirement in respect of advances against jute goods,* was relaxed from 40 per cent to 25 per cent in favour of established shippers subject to the following safeguards viz. (a) the shippers should produce *Pucca* Delivery orders or other documents in support of the spot purchase of jute goods by them and (b) the bank concerned should follow up each purchase of jute goods until it resulted in export documentary bills.

The compliance of banks with the selective credit control directives has been generally satisfactory, and banks have found it easier to comply with a directive specifying the permitted order of credit expansion before rather than after such expansion had occurred. As regards the control on clean loans, in response to the circular issued to all scheduled banks on April 1, 1960, requesting them to bring to the notice of the Bank specific cases of hardship caused by the March 11, 1960 directive on clean advances a number of representations were received by the Bank. The Bank examined these cases on merit and allowed the banks to make advances on a clean basis for an additional amount of Rs. 12 crores, which was not taken into account for calculating the overall ratio of clean advances to secured advances for purposes of compliance with the directive. Despite these liberal exemptions, the amount of clean advances declined over the year by nearly Rs. 3 crores and the ratio of clean loans to total credit at 13.9 per cent in March 1961 was well below the ratio of 16.8 per cent a year before.

Other Banking Developments.—Other important developments in the banking sphere during the year included (i) the passing of the Banking Companies (Amendment) Bill, 1960, (relating to maintenance by banks of secrecy in respect of their inner reserves), the Banking Companies (Second Amendment) Bill, 1960, (designed further to expedite liquidation proceedings of banks in liquidation), and the Banking Companies (Amendment) Bill, 1961, (providing for compulsory amalgamation of banks with the State Bank of India or its subsidiaries), (ii) the passing of the Reserve Bank of India (Amendment) Bill, 1960 (which, *inter alia*, enables the Reserve Bank to extend medium-term credit to State Financial Corporations and other financial institutions), details of which were given in the last year's Report, (iii) the proposal to institute a deposit insurance scheme for banks and (iv) further liberalisation of the Bill Market Scheme.

The Banking Companies (Amendment) Bill, 1960, designed to enable banks to maintain secrecy of their inner reserves, was passed and brought into force with effect from August 26, 1960. The Act, while protecting banking companies from disclosing their inner reserves to the authorities constituted under the Industrial Disputes Act, empowers the latter to call for certificates from the Reserve Bank regarding the amount of such inner reserves as may be taken into account for purposes of the proceedings under the Act. The Act accordingly authorises the Bank to furnish

* The restrictions regarding the maintenance of minimum margins in respect of advances against jute goods were withdrawn by a directive dated June 23, 1961.

such a certificate, after examining the financial position of the bank concerned and after assessing, on sound banking principles, whether or not it has to its credit any reserves to declare for the purposes of the Act, and, if so, the amount.

The Banking Companies (Second Amendment) Act, 1960, which seeks to facilitate expeditious payments to the depositors of banks in liquidation and also vests the Government and the Reserve Bank with additional powers to rehabilitate banks in difficulties, was passed and brought into force on September 19, 1960. Prior to the Amendment, the procedure for determination of claims of secured creditors and other persons entitled to preferential treatment was mainly responsible for a good deal of delay in the payment to depositors of banks in liquidation. The new provision requires that such preferential payment should be made or provided for within three months from the date of the winding-up order or within three months from the date of commencement of the Amending Act in respect of banks which had gone into liquidation earlier. It further stipulates that after the preferential payments are made or alternatively after an adequate provision is made for the purpose, within the three-month period as specified in the Act, every savings bank depositor should be paid the balance at his credit subject to a maximum of Rs. 250. Thereafter, every other depositor of the bank should be paid Rs. 250 or the balance at his credit, whichever is less, in priority over all other debts. The total amount to which any depositor would be entitled by way of preferential payment should not exceed Rs. 250, even if the aggregate total of his balances in all types of accounts exceeded this sum. The amount upto which a savings bank depositor enjoyed preferential claims prior to this amendment was Rs. 100, while no preferential treatment was accorded to other depositors. The Amendment Act further provides that an individual may also be appointed as official liquidator, if, for expediting the realisation of assets and their distribution to the creditors, the Bank so desires in its application to the High Court. The Amendment Act also empowers the Bank to apply to the Central Government for an order of moratorium in respect of a banking company. The Central Government, thereupon, may grant moratorium upto a period of six months. During the period of moratorium, the Bank may prepare a scheme for reconstruction of the banking company or its amalgamation with another banking company, and submit it to the Central Government who may sanction the scheme with modification, if necessary. The scheme as sanctioned would come into force on such date as is specified by the Central Government and would be binding on the banking company or companies concerned and also on all their members and creditors.

The Banking Companies (Amendment) Ordinance, 1961, promulgated on February 4, 1961, seeks *inter alia* to clarify and supplement the provisions under Section 45 of the Banking Companies Act, which relate to compulsory reconstruction or amalgamation of banks. The Ordinance, which has since been replaced by an Act on March 24, 1961, enables compulsory amalgamation of a banking company with the State Bank of India or its subsidiaries; hitherto such amalgamation was possible only with another banking company. The new legislation also enables amalgamation of more than two banking companies by a single scheme. Detailed

provisions relating to conditions of service of employees of banks subject to reconstruction or amalgamation have been laid down.

In addition to the legislation passed during the year facilitating reconstruction or amalgamation of weaker banks with other units, the Government propose to introduce a scheme for the insurance of bank deposits. Under the proposed scheme, a separate autonomous corporation will be set up with the Governor of the Reserve Bank as its chairman, who will be assisted by a small board consisting of one of the Deputy Governors of the Reserve Bank of India, a representative of the Central Government and at least one non-official. The corporation will have an authorised capital of Rs. 5 crores which will be allotted entirely to the Reserve Bank. The deposits in all commercial banks functioning on the date of introduction of the scheme, other than the State Bank of India and its subsidiaries, will be insured under the scheme. In view of the special position of the State Bank of India and its subsidiaries, it is not considered necessary that the deposits of these banks should be covered by the scheme; these State-associated banks will, nevertheless, be required to contribute to the funds of the corporation. The limit of the amount of individual deposits insured and the rate of premium will be fixed by the corporation with the approval of the Central Government and may be varied from time to time in the light of experience gained. To begin with, individual deposits to the extent of not less than Rs. 1,000 are expected to be guaranteed under the scheme. The actual figure will be determined by the corporation after it has been formed.

Mention was made in last year's Report of the introduction of the Reserve Bank of India (Amendment) Bill, 1960, which received the President's assent on April 30, 1960. The principal features of the Amending Act are: (i) it enables the Reserve Bank to extend medium-term credits to State Financial Corporations and other financial institutions notified by the Central Government for this purpose and (ii) it authorises the Reserve Bank to act as agent for the Central Government in implementing the Scheme for guaranteeing the loans by banks and other financial institutions to small-scale industrial concerns.

A reference was also made in last year's Report to the extension of the Bill Market Scheme to export bills for a further period of one year upto September 1960 and the liberalisation effected in the Scheme. The Scheme has since been extended upto the end of September 1961. With a view to making the Scheme popular, the following modifications were made in the Scheme with effect from January 12, 1961: (i) the minimum amount of individual *usance* promissory note to be lodged with the Reserve Bank as security for advances has been reduced from Rs. 10,000 to Rs. 5,000; (ii) the stipulation requiring banks to ensure that the parties concerned either cover the exchange risk or maintain the specific margin in the relative loan accounts has been withdrawn and the matter is now left to the discretion of the banks concerned; (iii) bills arising out of the applicant bank's advances against export bills, granted at any of its offices, will be eligible for being offered as security for the borrowings under the Scheme provided such borrowings are availed of by the bank concerned at places where the Banking Department of the Reserve Bank of India

is located, viz., Bombay, Calcutta, Madras, New Delhi, Kanpur, Bangalore and Nagpur and (iv) the stipulation that the export bills held by banks as security in the relevant loan accounts intended for conversion into time bills should have a *usage* of not more than ninety days has been waived. Consequently, there is no specific restriction now on the *usage* of the export bills concerned, provided the *usage* promissory notes lodged with the Reserve Bank mature within 90 days.

Another important development in the banking industry during the year was the appointment by the Government of India of a National Tribunal to adjudicate on the disputes of bank employees. This followed the agitation of the bank employees for the appointment of a Commission for settling the outstanding disputes in the banking industry consequent on the expiry of the Bank Award on March 31, 1959, and the strike of the employees of the State Bank of India in early March 1960. The Tribunal commenced its sittings on June 20, 1960. Pending the final adjudication of the dispute, the bank employees had asked for an interim relief which the Tribunal disallowed.

Co-operative Credit.—An important development in the sphere of co-operative credit during the year under review, was the submission, in May 1960, of the Report of the Committee on Co-operative Credit appointed by the Government of India. The recommendations of the Committee were discussed at the conference of the State Ministers of Co-operation held at Srinagar in June 1960 and at the meeting of the National Development Council held in September 1960. The Government of India communicated to State Governments the policy decisions taken on the basis of the proposals approved by the National Development Council. The important features of this policy are set out below:

(1) Though as a general rule, co-operatives would be organised on the basis of the village community as the primary unit, the number of villages to be covered by a society might be increased in the interest of viability where villages are too small, subject to the condition that the population of these villages should not exceed 3,000 and that the villages should not be situated at a distance of more than 3 to 4 miles from the headquarters village. (2) The State might participate in the share capital of primary agricultural credit societies under certain conditions, the maximum contribution being ordinarily limited to Rs. 5,000. (3) In order to encourage co-operatives to admit all classes of cultivators as members, Government might make certain outright grants to primary societies and central co-operative banks for being credited to a 'special bad debt reserve' fund to cover the risks involved. (4) The service co-operatives would continue to get a management subsidy, subject to the maximum of Rs. 900 spread over a period of 3 to 5 years. (5) All short-term and medium-term loans upto Rs. 500 would be given without mortgage of landed property.

During the year 1960-61, further progress was made in the co-operative field. The membership of the primary agricultural credit societies was expected to increase during the year from nearly 15 million to 18 million (or 2 million short of the revised target of 20 million set for the last year of the Second Plan), covering approximately

36 per cent of the population engaged in agriculture. The Co-operative Development Programme for the years 1959-60 and 1960-61 provided for the organization of about 25,300 service societies and for the revitalization of about 42,100 existing societies to function as service co-operatives. Upto October 1960, about 19,500 new societies had been organized and 33,200 societies had been taken up for revitalization. The total advances (short-term, medium-term and long-term) by various types of primary agricultural credit co-operatives (including primary land mortgage banks) are estimated to have risen from Rs. 174 crores during 1959-60 to Rs. 200 crores during 1960-61, as compared to the Second Plan target of Rs. 225 crores.

A sharp increase of Rs. 14.9 crores in the net demand and time liabilities (exclusive of borrowings from the Reserve Bank and other banks) of the State Co-operative Banks was witnessed during 1960-61* as compared to a rise of Rs. 6.9 crores in 1959-60 and Rs. 5.5 crores in 1958-59. The outstanding amount of advances and bills purchased and discounted by these banks at the end of 1960-61 was Rs. 124 crores showing a rise of about Rs. 27 crores over the year; a rise of almost the same magnitude was witnessed in the previous year also.

The Reserve Bank continued to play an active role in the sphere of providing funds to the co-operative sector. The financial accommodation provided by the Bank to the State Co-operative Banks recorded a further rise of Rs. 14 crores during the year (to Rs. 89 crores) as compared to a rise of Rs. 25 crores and Rs. 15 crores, respectively, in 1959-60 and 1958-59; at the end of 1955-56, the final year of the First Plan, the amount outstanding had stood only at Rs. 13.20 crores. As regards *short-term* finance provided for seasonal agricultural operations and marketing of crops, limits sanctioned to 17 State Co-operative Banks during 1960-61 aggregated Rs. 115.04 crores as compared to Rs. 90.06 crores sanctioned to 19 banks in 1959-60; in 1955-56, the limits sanctioned to 17 State Co-operative Banks had aggregated Rs. 28.79 crores. The *gross* amount drawn by them was also substantially higher at Rs. 131.66 crores as compared to Rs. 88.97 crores in 1959-60 and Rs. 22.95 crores in 1955-56. The amount *outstanding* at Rs. 79.14 crores at the end of March 1961 showed an increase of Rs. 12.69 crores over the year, and of Rs. 66.80 crores over the Second Plan period.

In the sphere of *medium-term* credit, the condition imposed hitherto that the medium-term loans for agricultural purposes made out of funds sanctioned by the Reserve Bank should be advanced to the ultimate borrowers only against the mortgage of land was waived with effect from November 1, 1960 in respect of loans of less than Rs. 500 each. Further, in May 1961, this relaxation was extended to medium-term loans granted to agriculturists in so far as the loans were utilised for purchasing shares in co-operative sugar factories. The number of banks to which medium-term financial accommodation (granted under Section 17(4AA) read with Section 46A(2) (b) of the Reserve Bank of India Act) was extended and the amount sanctioned recorded, a rise during the year. Limits sanctioned to 11 State Co-operative Banks

* As on last Friday; the figures relate to the State Co-operative Banks maintaining accounts with the Reserve Bank of India.

amounted to Rs. 5·78 crores in 1960-61 as compared to Rs. 4·99 crores to 9 banks in 1959-60. The *gross* amount drawn also rose from Rs. 3·86 crores to Rs. 4·68 crores. At the year-end, the *outstanding* amount stood higher at Rs. 7·63 crores as against Rs. 6·22 crores at the close of 1959-60.

In the sphere of *long-term* finance, four Central Land Mortgage Banks—Andhra, Gujarat, Madras and Orissa—issued rural debentures for a total sum of Rs. 62·50 lakhs; in 1959-60 also, four Land Mortgage Banks had issued rural debentures but for a larger amount of Rs. 98·25 lakhs. Subscriptions by the public to the four issues made during the year aggregated Rs. 29·33 lakhs or 47 per cent of the total amount issued as compared to Rs. 41·92 lakhs or about 43 per cent in the previous year. The Reserve Bank's contribution to these issues at Rs. 33·17 lakhs formed about 53 per cent of the total issues in 1960-61 as compared to 47·9 per cent in 1959-60. Besides, during the year, eight Central Land Mortgage Banks successfully floated *ordinary* debentures (as distinct from rural debentures) for a total sum of Rs. 6·20 crores (as against Rs. 3·00 crores issued by four Banks in the previous year), which was almost entirely subscribed by the public, the Reserve Bank's contribution being only Rs. 2·90 lakhs.

The accommodation granted by the Reserve Bank at the Bank rate to State Co-operative Banks for general banking purposes, under Section 17 (4)(a), aggregated Rs. 3·19 crores as compared to Rs. 5·34 crores in 1959-60. Financial accommodation provided for the purchase and sale of yarn at the Bank rate under Section 17(2)(a) or (4)(c), at Rs. 45 lakhs was lower by Rs. 10 lakhs than in the previous year. The *gross* amount drawn by the State Co-operative Banks for this purpose at Rs. 42·5 lakhs was also substantially lower than the amount drawn in 1959-60, viz., Rs. 78·50 lakhs; however, the amount *outstanding* at Rs. 12·50 lakhs at the end of 1960-61 showed a small rise of Rs. 1 lakh over the level at the end of previous year. Besides, 12 State Co-operative Banks were granted credit limits for Rs. 2·95 crores under Section 17(2)(bb) or (4)(c), at 1½ per cent below the Bank rate, for financing the production and marketing activities of handloom weavers' societies as compared to Rs. 2·33 crores in the previous year; the *gross* amount drawn was Rs. 2·40 crores as compared to Rs. 1·73 crores in 1959-60. The amount *outstanding* at the end of 1960-61 also showed a rise of Rs. 64·4 lakhs to Rs. 2·41 crores as against a rise of only Rs. 7 lakhs over the previous year. *Short-term* accommodation was granted to State Co-operative Banks for financing the working capital requirements of co-operative sugar factories; as against the sanctioned limits of Rs. 1·90 crores, the *gross* drawings during the year amounted to Rs. 4·70 crores which were fully repaid by the end of 1960-61. During the previous year, no loan had been granted for this purpose. Under its scheme, announced in 1957, the Bank sanctioned for the first time during the year, a *medium-term* loan of Rs. 10 lakhs at the Bank rate to one State Co-operative Bank for financing, through affiliated central co-operative banks and their societies, the purchase of shares in co-operative sugar factories by agriculturists. During the year under review, the Bank also sanctioned to two State Co-operative Banks under Section 17(2)(b) or (4)(c) a sum of Rs. 65 lakhs for financing agricultural operations under the Intensive Agricultural District Programme; no amount had, however, been actually drawn by the end of the year.

The Reserve Bank made a further contribution of Rs. 10 crores to the National Agricultural Credit (Long-term Operations) Fund during the year, raising the amount to the credit of the Fund as on June 30, 1960 to Rs. 40 crores. From this Fund, the Bank sanctioned loans totalling Rs. 3.23 crores to 12 State Governments for contribution to the share capital of co-operative credit institutions as compared to Rs. 4.94 crores granted to 13 State Governments in the previous year. Of the total amount sanctioned* during 1960-61, Rs. 1.37 crores were accounted for by central co-operative banks, Rs. 78 lakhs by State Co-operative Banks, Rs. 40 lakhs by Central Land Mortgage Banks and Rs. 28 lakhs by large-sized societies. The amount drawn by the State Governments during the year aggregated Rs. 2.75 crores as against Rs. 4.93 crores in 1959-60. The amount *outstanding* at the end of March 1961 at Rs. 19.95 crores showed an increase of Rs. 2.00 crores over the year. The Reserve Bank made a further contribution of Rs. 1 crore during the year to the National Agricultural Credit (Stabilization) Fund, raising the amount to the credit of the Fund to Rs. 5 crores as on June 30, 1960.

The National Co-operative Development and Warehousing Board's Programme for providing financial assistance in the sphere of co-operative credit, marketing and processing etc., was expected to involve a financial outlay of about Rs. 14 crores in 1960-61 as against Rs. 13 crores in 1959-60; the share of the Board in this outlay was Rs. 7.43 crores in 1960-61 as against Rs. 6.54 crores in the previous year. As regards warehousing, the Central Warehousing Corporation set up warehouses at eleven places during the year, bringing the total number of warehouses established so far to 37 and raising the storage capacity from about 44 thousand tons to 72.5 thousand tons. The State Warehousing Corporations opened 85 new warehouses during the year, bringing the total number of State warehouses to 223.

In addition to the 1,610 primary marketing societies organised/ reorganised during the first four years of the Second Plan, 261 societies were to be organised during 1960-61. Thus, the Second Plan target of organising 1,900 primary marketing societies would have been nearly achieved. Of the 41 co-operative sugar factories registered upto the end of 1959-60, 27 factories were in production during the 1960-61 season and four others were expected to start production before the close of the 1960-61 season. The total share capital of 41 sugar co-operatives as on June 30, 1960 was Rs. 12.73 crores, including a contribution of Rs. 5.52 crores by State Governments. During the first four years of the Second Plan, the State Governments received for this purpose assistance to the extent of Rs. 4.15 crores from the National Co-operative Development and Warehousing Board. During 1960-61, further assistance of about Rs. 2 crores was expected to be received. In view of the increase in the block capital requirements of the new sugar co-operatives, it was decided to raise the ceiling of State Government participation in their share capital from Rs. 20 lakhs to Rs. 25 lakhs. Sugar factories also received loans to the extent of Rs. 2.87 crores from the Industrial Finance Corporation during 1960, raising its total loans to co-operative

*One State Government was sanctioned a limit of Rs. 39 lakhs but its institution-wise break-up is not available.

sugar factories so far to Rs. 18·87 crores. Besides co-operative sugar factories, the Second Plan envisaged the establishment of 166 other types of processing units including 48 cotton ginning and pressing co-operatives. The co-operative marketing societies were also expected to take up processing as an adjunct to their normal operations. Altogether 243 processing units were set up in the co-operative sector during the first four years of the Second Plan, the chief commodities processed by them being cotton, paddy and oilseeds. In 1960-61, 136 additional units were expected to be set up.

V. CAPITAL MARKET

General.—The capital market, which had shown a distinct revival in 1959-60, evinced unusual ebullience during the greater part of 1960-61. Investment in organised industry which, after a slowing down in 1958-59, had picked up in 1959-60, would appear to have been maintained at a high level in 1960-61. Corporate profits were substantially higher, profits before tax of 925 large and medium-sized companies closing their accounts during July 1959-June 1960 being Rs. 156 crores, as against Rs. 117 crores in the previous year. Corporate savings at Rs. 37 crores were more than twice as much as in the preceding year (Rs. 18 crores). The prevailing buoyant conditions in the capital market were reflected in the increased volume of new issues, many of them heavily oversubscribed, and in a rise in share values as well as in turnover.

In the share markets, the uptrend noticed since the beginning of 1958 continued upto about the close of July 1960. A sharp reaction followed which lasted upto about mid-January 1961, after which, however, the market resumed the uptrend, more than making good the decline in the earlier phase. The Reserve Bank's all-India general index of variable dividend industrial securities registered a net rise of 13 per cent during 1960-61 on top of a rise of 10 per cent during 1959-60 and of 16 per cent during 1958-59. The gilt-edged market, which was generally firm during 1959-60, remained featureless upto mid-September 1960, and turned distinctly easy thereafter and, despite a recovery since mid-November 1960, closed for the year lower on balance. The Reserve Bank's index for Government of India securities moved down by 0.2 per cent during 1960-61 as against a rise of 0.6 per cent during 1959-60 and of 2.2 per cent during 1958-59.

The institutional machinery of industrial finance was further strengthened during the year through new measures e.g. the enlargement and diversification of financial assistance as in the case of the Industrial Finance Corporation of India and the liberalisation of the scheme of refinance in the case of the Refinance Corporation for Industry. Loans sanctioned by the Industrial Finance Corporation of India reached a record figure during 1960-61. Loans sanctioned by State Financial Corporations during 1960-61 were also appreciably higher as compared to the previous year. The amounts of assistance sanctioned and disbursed by the ICICI during 1960 were the largest for any year since its inception in 1955. The activities of the Refinance Corporation also recorded a noticeable expansion, the number and amount of applications sanctioned by it being twice as large as in the previous year. As regards small-scale industries, the Government of India Scheme for the guarantee of advances to them, which came into operation on July 1, 1960 in 22 approved districts, was extended to 4 additional districts during the year. With a view to facilitating its operation, the Guarantee Organisation proposed during the year certain changes in the Scheme of Guarantee; these changes have since been approved by the Government. The State Bank of India's Scheme for financing of small-scale industries, initiated in 1956, also made good progress during the year.

Over the Second Plan period, the Indian capital market witnessed a marked expansion in investment activity, the market evincing a particularly buoyant tone in

the last two years when a number of new issues were heavily oversubscribed. In 1957 and 1958, the activity was somewhat sluggish mainly due to the imposition of drastic import curbs to ease the severe strain on the country's foreign exchange reserves and to the far-reaching changes in taxation in the May 1957 Budget. Total consents granted by the Controller of Capital Issues to the private sector for the issue of shares and debentures, which had risen from Rs. 86-87 crores in 1954 and 1955 to Rs. 109 crores in 1956, fell to Rs. 77 crores in 1957 and further to Rs. 66 crores in 1958. Subsequently, there was a marked upsurge in activity, consents showing a spurt to Rs. 112 crores in 1959 and further to Rs. 114 crores in 1960. The growing level of activity during this period reflected principally the confidence of investors inspired by the growth prospects of industry behind the protectionist barrier of continued import curbs. The various export promotion measures taken by the Government from time to time as well as the discontinuance, with effect from April 1958, of the compulsory deposit scheme for companies and the announcement in the budget for 1959-60, of the withdrawal, with effect from April 1, 1960, of the Wealth Tax on companies were interpreted as indicative of a welcome change in Government's attitude towards the private sector and helped increase the flow of both domestic and foreign capital. Investment activity was also assisted by the strengthening of the institutional structure by the establishment of the State Financial Corporations, the ICICI and the NIDC in the latter half of the First Plan period and of the Refinance Corporation in 1958. Not only did the volume of assistance provided by the financial institutions record a significant increase in recent years, but the emergence of some of these institutions also led to an expansion in underwriting activity. During the years 1956 to 1960, total consents granted by the Controller of Capital Issues for the issue of capital in the private sector amounted to Rs. 479 crores as compared to Rs. 296 crores during the period 1951 to 1955. Share values also recorded a rise of about 15 per cent during the Second Plan period, as compared to a rise of about 8 per cent during the First Plan period.

Government Securities Market.—The gilt-edged market, which was generally firm during 1959-60, remained featureless upto about mid-September 1960; it turned distinctly easy following the September 21, 1960 measures of credit restraint; a moderate recovery was in evidence following the relaxation of the credit measures on November 11, 1960 and January 13, 1961 but despite this, a majority of the loans, both of Central and State Governments, registered net declines over the year. The Reserve Bank's average index number of prices of Government of India and State Government Securities (base: 1952-53 – 100) moved down fractionally from 101·1 and 102·7, respectively, to 100·9 and 101·8.

The dull conditions in the early half of the year were attributed to (a) the credit curbs announced by the Reserve Bank in March and May 1960, and in particular, the impounding of additional deposits and (b) the meagre slack season return flow of funds and continuing stringency in the money market which tended to keep a majority of the banks out of the market. Despite this, Governmental borrowing operations were fairly successful though the response to the new loans was not quite as encouraging as in the preceding year. The Union Government's announcement on July 4, 1960 of their decision to float, on July 18, 1960, two cash-cum-conversion

loans for Rs. 175 crores was well received as the terms offered were generally in line with the market's expectations. The subscription lists, which were opened on July 18, were closed on July 20, total subscriptions amounting to Rs. 180·7 crores of which Rs. 106·1 crores were in cash and the balance of Rs. 74·6 crores in the form of conversion. The subscriptions for the twelve 4 per cent 1969 State loans for a total of Rs. 75 crores, the lists for which were opened on August 29 and closed on or before August 31, amounted to Rs. 85·5 crores (Rs. 79·0 crores in the form of cash and Rs. 6·4 crores in the form of conversion). Following the announcement of the September 21 credit curbs (details in Chapter IV), the market turned distinctly easy and some selling pressure was in evidence till about mid-November. The resultant decline was more pronounced in the State loans than in the Central issues. Beginning from mid-November, however, the market evinced a moderate recovery as a sequel partly to the relaxation of the additional reserve requirements on November 11 and their complete revocation in January 1961 and partly to expectations that the liquidity requirements of banks might be raised in the near future. Like the post-September 21 decline, the recovery in prices was also relatively more marked in State loans than in Central loans. Thus, while the decline in State loans during the period from September 21 to November 10 had ranged upto Rs. 3·15, the rise in prices during the period November 10 to end-March 1961 ranged upto Rs. 1·95. Among Central loans, barring the 3 per cent 1970-75 Loan, the price rise ranged upto 90 nP., while the earlier decline had ranged upto 75 nP.; the 3 per cent 1970-75 Loan showed a larger rise of Rs. 1·85 as against the previous decline of Rs. 1·65.

During the year the Reserve Bank's open market operations resulted in net purchases of Rs. 125 crores *as against net sales of Rs. 60 crores and Rs. 89 crores, respectively, in 1959-60 and 1958-59. The investments in Government securities by scheduled banks also were reduced by Rs. 156 crores *in 1960-61 as against net additions of Rs. 101 crores and Rs. 173 crores in 1959-60 and 1958-59, respectively.

Over the year, while a majority of medium-dated loans registered net declines, some of the short and long-dated loans recorded moderate net gains. In the short-dated section, the 2½ per cent 1961 Loan showed the largest net rise of 90 nP. followed by the 3 per cent 1964 Loan which registered a net rise of 55 nP. In the long-dated section, the 2¾ per cent 1976 Loan rose by 10 nP. and the 3¾ per cent 1974 Loan by 5 nP.; the 4 per cent 1979 Loan, on the other hand, moved down by 20 nP. In the medium-dated section, the 3 per cent 1970-75 Loan showed the largest fall viz. of Rs. 1·25 while the 4 per cent 1972 Loan declined by 85 nP. Of the two new loans issued in July 1960, as at end-March 1961, the 3½ per cent Bonds 1966 showed a discount of 35 nP. over its issue price, while the 4 per cent Loan 1980 was quoting at its issue price. In the non-terminable section, the 3 per cent Conversion Loan of 1946, which had declined by 80 nP. in 1959-60, rose by 65 nP. to Rs. 73·85 in 1960-61. Among the State Loans, the 4 per cent 1968 Madhya Bharat and the 4 per cent 1971 Punjab Loans registered the largest fall of Rs. 2·55 each. The 4 per cent 1963, 1964, 1967 and 1968 and the 4½ per cent 1970 loans of all the States also

* This was partly explained by the change in arrangements in regard to holding of P.L. 480 counterpart funds.

declined, the declines ranging from 25 nP. to Rs. 2.25. At end-March 1961, all the 4 per cent 1969 loans floated in August 1960 were quoting below their issue prices, the discount ranging from 45 nP. to Rs. 1.45.

The yield on Government securities generally tended to rise. The yields on State loans *rose* on an average by about 0.30 per cent as against an average *decline* of 0.10 per cent in 1959-60 and 0.30 per cent in 1958-59. Among Central loans, the yield on short-dateds moved up on an average by 0.15 per cent, on medium-dateds by 0.10 per cent and on long-dateds by about 0.05 per cent. The maximum rise in yield of 0.62 per cent was recorded by the 2½ per cent 1961 Loan. The yield on the 3 per cent Conversion Loan of 1946, on the other hand, moved down fractionally by 0.02 per cent (to 4.05 per cent) as against an equivalent rise during 1959-60.

Industrial Securities Market.—The bull market in shares noticed since the beginning of 1958 continued upto about the close of July 1960. Thereafter, a reaction was in evidence which was in part a corrective to the earlier speculative upsurge and in part reflected the impact of the regulatory action of the stock exchange authorities and the credit control measures of the Reserve Bank. Since mid-January, however, the bullish trend reasserted itself and share prices rose to a new all-time peak by the end of March 1961. The Reserve Bank's index number of prices of variable dividend industrial securities (base: 1952-53=100), which had risen from 119.7 in early 1958 to 161.7 at the end of March 1960, rose further to a peak of 182.0 during the week ended July 23, 1960, but dropped subsequently to 163.3 during the week ended January 14, 1961; thereafter, however, it rose again to a new peak of 182.6 at the close of the year. Over the year, there was thus a net rise of 13 per cent on top of an increase of 10 per cent during 1959-60 and of 16 per cent during 1958-59. As compared to the low of 119.7 reached in early January 1958, the year-end level marks a net rise of 53 per cent, as against a net fall of about 26 per cent in the earlier bearish phase from September 1956 to December 1957.

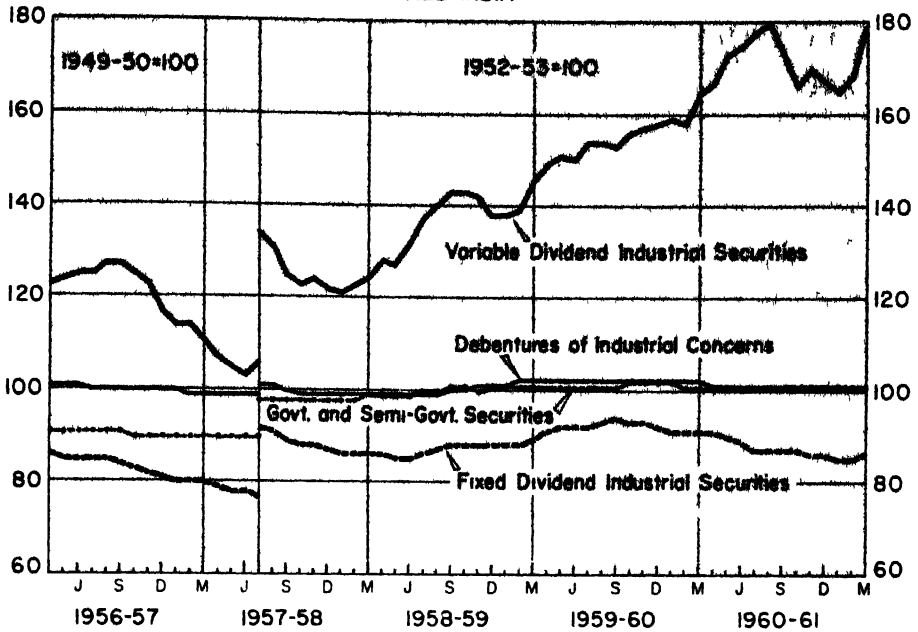
The major underlying factors for the rise in equities in 1959-60, as set out in the 1959-60 Report, continued to operate in 1960-61 also, viz., (i) the growing pace of industrial output since 1959, (ii) growth prospects of industries under the continuing protectionist impact of import curbs, (iii) various incentive schemes for export promotion announced by the Government and (iv) broadening of investment interest in shares in the context of the prevailing paucity of stocks, especially of first class scrips.

The recovery in share prices noticed towards the close of March 1960 gathered further momentum during the period April to July. The Reserve Bank's index of variable dividend industrial securities rose, as stated earlier, from 161.7 at end-March 1960 to a new peak of 182.0 during the week ended July 23, 1960. Market sentiment was enlivened during the period mainly by encouraging company news and rumours of an imminent increase in the retention prices of steel. In part, the sharp rise in prices was also attributed to a re-emergence of speculative activity in the market as reflected in the higher *budla* charges for the June 17 settlement in Bombay as compared to those in April.

GRAPH 10

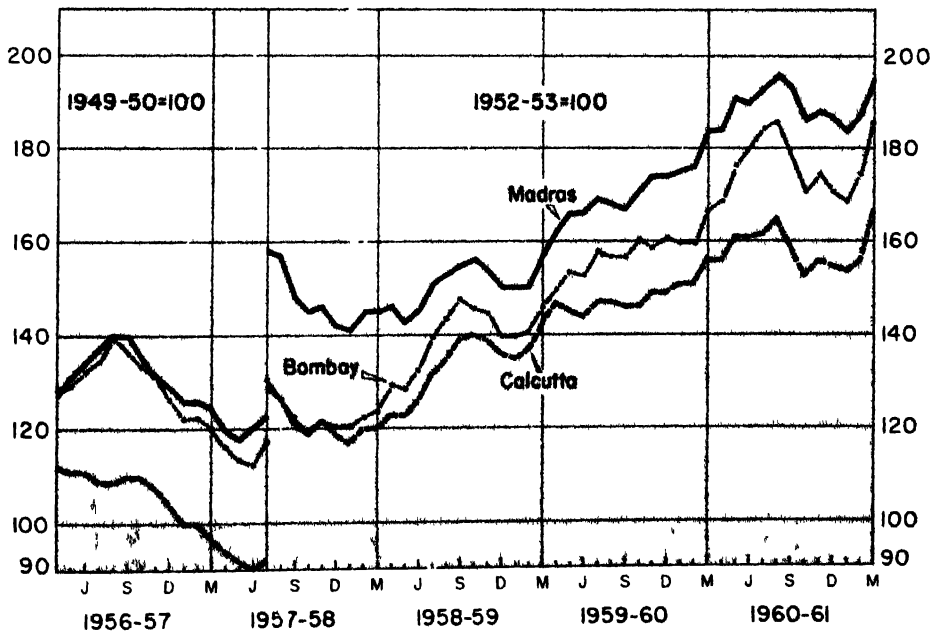
INDEX NUMBERS OF SECURITY PRICES

ALL-INDIA



VARIABLE DIVIDEND INDUSTRIAL SECURITIES

REGIONAL



In view of the sharp rise in prices and excessive speculative activity on the exchanges, the stock exchange authorities announced a series of corrective measures. In Madras, the margin system, which was introduced in March 1960, with margins payable weekly on the net outstanding transactions in cleared scrips, was applied with effect from April 29 to the net balance of purchases and sales in all cleared scrips carried over and, as from June 9, 1960, the margin rate was raised from 2 per cent to 5 per cent in respect of the net balance below Rs. 5 lakhs and from 5 per cent to 10 per cent in respect of the net balance above this limit. In Bombay, the Stock Exchange authorities tightened up the existing margin system, by reducing the free limits and enhancing the rates of margins, effective June 10. The free limit in respect of total carry-over business was reduced from Rs. 20 lakhs to Rs. 15 lakhs and that on daily outstanding purchases or sales in respect of active scrips on the cleared list from Rs. 5 lakhs to Rs. 3 lakhs. In the case of carry-over business, the margins were raised from 3 per cent on amounts upto Rs. 40 lakhs and 5 per cent on amounts above Rs. 40 lakhs to 5 per cent on amounts ranging from Rs. 15 lakhs to Rs. 20 lakhs, 10 per cent on amounts ranging from Rs. 20 lakhs to Rs. 25 lakhs and 20 per cent on amounts over Rs. 25 lakhs. As regards active forward scrips, margins on which are levied at the discretion of the Stock Exchange President, the new margins on daily outstanding sales or purchases were fixed at 10 per cent for amounts ranging from Rs. 3 lakhs to Rs. 10 lakhs, and 20 per cent for amounts over Rs. 10 lakhs, as against the then existing uniform rate of 8 per cent for amounts above Rs. 5 lakhs. This measure was further reinforced by the Exchange authorities by their decision announced on June 8, to introduce, effective June 10, special deposit making-up prices, besides the usual making-up prices, in respect of those shares which showed a sharp rise in any settlement. The difference between the two prices was required to be kept with the clearing house of the Exchange as 'special deposit'. A further announcement on June 9 made special deposit making-up prices applicable to shares which recorded a sharp decline in prices as well. In June, the authorities of the Bombay Stock Exchange fixed special deposit making-up prices in respect of seven scrips, viz., Standard Mills, Khatau, Belapur, Alcock Ashdown, National Rayon, Tata Locomotive and Premier Construction in view of the sharp rise in their prices.

Following these stringent measures, the uptrend in share prices was arrested towards the close of July and a reaction set in, which was further accentuated by apprehensions of heavy additional taxation, as indicated in the draft outline of the Third Five Year Plan published on July 6, 1960, and of further stringent measures to curb excessive speculation, as hinted at in the Finance Minister's statement in Parliament on August 18, and also by persistent rumours of an increase in the Bank rate. There were also rumours that restrictions might be imposed on (i) the transfer of shares taken up by promoters and their friends and (ii) on the starting by established companies of new lines of production unrelated to their main line of activity. Other bearish influences included the continuing deterioration in the foreign exchange situation, the difficulties experienced by some of the industries in securing raw materials, the decision of the Indian Cotton Mills Federation to reduce cloth prices and the delay in the expected announcement of steel retention prices. There was heavy selling pressure, particularly on the Calcutta Stock Exchange, where the authorities were obliged to impose a ban on sales, effective September 15, in cleared scrips except for

purposes of squaring up outstanding purchases; the ban was withdrawn on September 21, but in order to discourage speculative sales, the authorities imposed an additional *margin of Rs. 2 per share on daily outstanding sales in six leading scrips viz., Indian Iron, Indian Cable, Hindustan Motors, Orient paper, Texmaco and Rohtas Industries. In view of the sharp drop in prices and activity on the Exchange, the authorities of the Madras Stock Exchange also reduced the margin rates, effective from the clearing on September 15, from 5 percent to 2 percent in respect of value of shares carried over up to Rs. 5 lakhs and from 10 per cent to 5 per cent in respect of the value of shares carried over in excess of Rs. 5 lakhs. These measures, however, did not appear to have had any effect and prices tended to ease further. Following the announcement on September 21 of the Reserve Bank's new scheme of credit restrictions (details in Chapter IV), there was sharp break in share prices, which was further accentuated by the stepping up by banks of the lending rates by $\frac{1}{2}$ —1 per cent, effective October 1, in accordance with the Bank's directive. The index of variable dividend industrial securities dropped from the peak of 182.0 in the week ended July 23, 1960 to 165.1 during the week ended October 15.

During the period mid-October to mid-November 1960, a moderate recovery was in evidence, the index moving up to 170.0 during the week ended November 26. The recovery was mainly attributed to (i) the market's optimism in regard to the prospects of foreign aid for the Third Plan, (ii) renewed support from institutional investors, particularly the Life Insurance Corporation, (iii) the relaxation on November 11 by the Reserve Bank of the provisions relating to additional reserve requirements and (iv) the announcement, on the same date, of an increase in the retention price of steel by Rs. 4.85 per ton to Rs. 470 per ton, the increase being applicable to both the TISCO and IISCO for the five year period ended 1959-60. The recovery, however, proved temporary and equities again turned subdued towards the close of November, sentiment being affected by (a) various pronouncements at ministerial level, such as (i) the Commerce Minister's statement in the *Lok Sabha* on November 18 about Government's decision to place a ceiling on the promotional expenses of companies and ensure the allotment of shares of new enterprises within three months of their floatation, (ii) the Deputy Finance Minister's statement on November 21 that Government were continually watching the speculative activity and would take suitable measures as and when necessary, (iii) the Finance Minister's statement on the same day that, despite substantial foreign aid promised for the Third Plan, import cuts would be inevitable and (b) the passage on December 1, 1960, in the *Lok Sabha*, of some important clauses of the Indian Companies (Amendment) Bill, particularly those (i) relating to restrictions on inter-company investments and (ii) empowering Government to declare void for a certain period the transfer of shares that might result in a change in the management of companies considered prejudicial to public interest. The Reserve Bank's index of variable dividend industrial securities declined from 170.0 during the week ended November 26 to 163.3 during the week ended January 14, 1961.

From mid-January 1961, however, a steadier tendency emerged, inspired partly by encouraging company news but mainly by optimistic expectations regarding the

* Withdrawn on November 24, 1960.

forthcoming Central Budget. The market's reaction to the budget proposals on February 28 was distinctly bullish. Sentiment was chiefly aided by the reduction in the tax on bonus issues and in the tax on royalties received by foreign companies from Indian enterprises as well as by the absence of any increase in corporate taxation. Although the additional 'tax load' imposed by the new budget was larger than what the market had anticipated, it had no dampening effect on sentiment, since the bulk of the proposed additional taxation was in the form of indirect imposts, which, it was felt, the industries would be in a position to pass on to the consumers in the prevailing context of a strong demand. Reflecting partly the market's overbought position and partly the persistent stringency in the money market, there was a sharp rise in *budla* charges on the Bombay Stock Exchange. In this context, the authorities of the Bombay Stock Exchange, who had removed all the scrips from the list of shares to which special deposit making-up prices were applicable in early February 1961, reintroduced in early March special deposit making-up prices in respect of a few leading speculative counters, but this seemed to have had no appreciable effect on the market. The Reserve Bank's index of variable dividend industrial securities shot up from 163·3 during the week ended January 14 to a new peak of 182·6 during the week ended March 25, 1961.

Over the year, as already noted, the all-India index of variable dividend industrial securities registered a net rise of 13 per cent. Regionwise, the Bombay market showed the sharpest rise of 17·1 per cent, followed by the Calcutta market (9·6 per cent) and the Madras market (8·5 per cent). In 1959-60, the largest rise had been recorded by the Madras market (14·1 per cent), followed by the Bombay market (9·4 per cent) and the Calcutta market (5·7 per cent).

While the general index of variable dividend industrial securities showed a rise, the trends in the indices of the various constituent sub-groups revealed wide divergences, reflecting in part the operation of special factors affecting individual industries. Thus, while the sub-groups silk and woollen, electrical machinery, transport equipment, trading, basic industrial chemicals, iron and steel, cotton textiles, construction and coal registered sizeable net rises over the year, the sub-groups shipping and other transport, electricity generation and supply, coffee and rubber plantations and sugar recorded net declines. As in 1959-60, the sub-group silk and woollen showed the maximum net rise of 41·2 per cent during 1960-61, mainly because of the growth prospects for this industry and the announcement of expansion plans by a majority of the companies in this group. The sub-groups electrical machinery, transport equipment and trading recorded net rises of 28·0 per cent, 24·2 per cent and 17·8 per cent, respectively, owing to the growth prospects for these industries under the Plans. The iron and steel sub-group rose by 15·6 per cent, mainly owing to increases in the retention prices of steel, and increased production as against a decline of 9·7 per cent recorded in 1959-60. Among sub-groups showing a decline, shipping and other transport moved down by 4·4 per cent on top of a decline of 15·5 per cent in 1959-60, mainly due to discouraging company news and reports of stiffer competition for Indian companies in the international sphere. The sub-group electricity generation and supply also declined by 2·8 per cent owing mainly to the declining interest of investors in this group of shares. The sub-group sugar, which had moved up by 7·2 per cent in 1959-60, showed a decline of 1·3 per cent in 1960-61. Sentiment in this group,

particularly in the Bombay market, was adversely affected by the introduction of the Land Ceiling Bill* in the Maharashtra Legislature.

In contrast to the general trend in variable dividend industrial securities, prices of fixed dividend industrial securities as a whole recorded a decline during the year under review. The index for preference shares, which had shown a small rise of 1.1 per cent in 1959-60, recorded a decline of 5.5 per cent in 1960-61. The drop in preference shares was mainly attributed to the change, introduced in the 1959-60 budget, in the system of taxation of company dividends which tended to reduce dividend receipts for the preference shareholders†. The index for debentures also moved down by 0.7 per cent during 1960-61; it had remained unchanged during 1959-60.

The pattern of yields‡ on industrial securities presented a mixed trend; while the average yield on debentures hardened a little, that on preference shares and variable dividend industrial securities eased somewhat. The average yield on debentures rose further from 4.02 per cent in March 1960 to 4.16 per cent in March 1961. On the other hand, the average yield on preference shares moved down fractionally from 5.43 per cent in March 1960 to 5.32 per cent in March 1961. The average yield on variable dividend industrial securities declined initially from 5.06 per cent in March 1960 to 4.62 per cent in August and, after moving up to 5.04 per cent by January 1961, fell to 4.71 per cent in March 1961—a net decline of 0.35 per cent over the year and of 0.93 per cent over the level of 5.64 per cent reached in August 1956 when the market was on the crest of a boom. Among the sub-groups, the decline in yield was the largest in coffee plantations (2.08 per cent) followed by coal (1.83 per cent), trading (1.40 per cent), electricity generation and supply (1.13 per cent) and cement (1.08 per cent). The sub-groups silk and woollen and cotton textiles recorded smaller declines of 0.36 per cent and 0.15 per cent, respectively. As against these, the sub-group sugar registered a net rise of 0.29 per cent, iron and steel of 0.36 per cent and tea plantations of 0.42 per cent. Regionwise, the decline in average yield in 1960-61 was most marked in Madras (0.51 per cent), followed by Bombay (0.39 per cent) and Calcutta (0.28 per cent). From the prices and yields indices and other related data compiled by the Reserve Bank, it would appear that the decline in the average yield on variable dividend industrial securities during 1960-61 was due mainly to the rise in prices.

Capital Issues.—In the new issue market, the buoyancy noticed in the latter part of 1959-60 continued through the earlier half of 1960-61, reflecting mainly the growth of investible funds against relative scarcity of floating stocks and also the optimistic view taken by investors of the prospects of industrial growth in the Third Plan. In the latter half of the year, although the volume of new issues continued to be large, the public's rush to subscribe to new issues noticed earlier seemed to have considerably abated and the excessive premia enjoyed by some of the new issues came down substantially; some issues were even quoted at a discount. This corrective phase reflected, to some extent, the cumulative effect of various official measures,

* Since enacted on June 7, 1961. † The yields referred to here are free of income-tax.

‡ In order to give relief to preference shareholders, the Preference Shares (Regulation of Dividends) Act was enacted in December 1960, requiring companies to raise, in respect of preference shares issued prior to April 1, 1960, the stipulated dividend by 30 per cent in case of tax-free shares and by 11 per cent in case of taxable shares.

notably the grant of permission for rights issues only at a good premium in the case of companies whose shares were quoting substantially above par, and the refusal of permission to established companies for starting new lines of production entirely unrelated to their main line of activity.

According to preliminary official data, the total capital raised by all non-Government companies through shares (other than bonus) and debentures amounted to Rs. 71·6 crores in 1960, which was about the same as in 1959 (Rs. 71·2 crores*), but substantially higher than in 1958 (Rs. 55·5 crores*). The preliminary figure for 1960 is, however, likely to be revised upwards, probably to about Rs. 80 crores.

Total consents granted by the Controller of Capital Issues to the private sector (*i.e.* to non-Government companies) for raising capital through shares (other than bonus) and debentures—which indicate the level of investment intentions—touched a new record high of Rs. 114 crores in 1960, only Rs. 2 crores higher than in 1959, but appreciably above the figure for 1958 (Rs. 66 crores). The respective share of 'initial' issues (*i.e.* issues of new companies) and 'further' issues (*i.e.* issues of existing companies) in the total consents in 1960 remained more or less unchanged at the previous year's level of 44 per cent and 56 per cent, respectively. Security-wise, ordinary shares accounted for 76 per cent of the total consents to the private sector for shares (other than bonus) and debentures, debentures for 17 per cent and preference shares for 7 per cent; in 1959, ordinary shares had accounted for a somewhat higher share, *viz.*, 81 per cent, while preference shares and debentures formed about 10 per cent each. During 1960, 21 ordinary share issues were consented to at a premium, as against 10 in 1959; the total amount of premium involved was also higher at Rs. 7 crores as compared to less than Rs. 2 crores in 1959. Foreign participation in the total consents (including bonus and miscellaneous issues) granted to the private sector in 1960 was maintained at the preceding year's level of around Rs. 19 crores†. As in the preceding two years, during 1960 also, there were no consents for World Bank loans. Of the total foreign participation consented to during 1960 (Rs. 19 crores), one-half was accounted for by new companies.

Working of Finance Corporations.—During 1960-61, loans sanctioned by the *Industrial Finance Corporation of India* at Rs. 27·48 crores in respect of 55 industrial concerns were substantially higher as compared to Rs. 7·84 crores sanctioned in respect of 28 concerns during the previous year and the previous record of Rs. 13·39 crores sanctioned in respect of 41 industrial concerns in 1955-56. For the first time since its inception in July 1948, the Corporation sanctioned loans in foreign currencies during the year; loans in U.S. dollars equivalent to Rs. 3·48 crores were sanctioned to 12 concerns. Industries in respect of which loans were sanctioned during the year included chemicals, paper, sugar, cotton textiles, engineering, ceramics and glass, non-ferrous metals and hotels.

The amount of loans disbursed during the year was also slightly higher at Rs. 7·42 crores as compared to Rs. 7·11 crores disbursed during 1959-60, although

* Revised.

† The 1959 figure is exclusive of certain approvals which merely involved transfer of existing non-resident investment from one unit to another.

it was lower than the amount disbursed during 1958-59 (Rs. 8.34 crores). Since its inception in July 1948 upto March 31, 1961, the Corporation sanctioned loans aggregating Rs. 99.67 crores in respect of 371 applications, of which an amount of Rs. 54.90 crores (55 per cent) was disbursed.

The Corporation's activities in the field of underwriting also recorded an increase during the year. The Corporation underwrote (jointly with other institutions and/or brokers) 3 preference share issues and one equity *cum* preference share issue, the Corporation's liability being restricted to Rs. 1.60 crores—Rs. 1 crore for preference shares and Rs. 60 lakhs for ordinary shares. In 1959-60, it had underwritten only 2 preference issues for a total of Rs. 88 lakhs. Of the Rs. 1.60 crores of shares underwritten during 1960-61, shares for Rs. 1.07 crores (Rs. 67 lakhs of preference shares and Rs. 40 lakhs of ordinary shares) were taken up by the Corporation. In addition, the Corporation also agreed to underwrite two cumulative redeemable preference share issues for a total amount of Rs. 30 lakhs.

During the year, the Corporation approved eight applications for guaranteeing deferred payments to the extent of Rs. 13.13 crores (inclusive of one application for enhancement of the amount of guarantee previously sanctioned), as compared to six applications for Rs. 7.79 crores approved during the preceding year, in respect of machinery and equipment to be imported from abroad. The Corporation also issued letters of guarantee in respect of deferred payments to the extent of Rs. 2.95 crores in three cases.

The Corporation's resources position was strengthened during the year under review through a foreign currency loan of \$10 million sanctioned by the Development Loan Fund of the U.S. Government for being loaned to industrial concerns in the private sector in India.

The Corporation's outstanding borrowings from the Reserve Bank of India in terms of Section 21(3)(b)* of the IFC Act was Rs. 0.51 crore at the end of March 1961 as against *nil* on March 31, 1960. The Corporation's outstanding borrowings from the Central Government in terms of Section 21(4) of the IFC Act at Rs. 15.25 crores as at the end of March 1961 showed an increase of Rs. 2 crores over the year.

With a view to enlarging and diversifying the assistance provided by the Industrial Finance Corporation, the Industrial Finance Corporation Act, 1948 was amended in December 1960. The Amendment Act, among other things, widened the powers given to the Corporation regarding guaranteeing of loans and of deferred payments, empowered the Corporation to subscribe directly to the stock or shares of industrial concerns and also allowed the Corporation to provide in its agreements with industrial concerns for converting loans granted or debentures subscribed to by the Corporation into stock or shares of that industrial concern.

* In terms of this Section, the IFC is empowered to borrow from the Reserve Bank of India for fixed periods not exceeding 18 months, upto a maximum of Rs. 3 crores in the aggregate at any time, against securities of the Central Government of any maturity or against bonds and debentures issued by the Corporation and guaranteed by the Central Government and maturing within 18 months from the date on which money is borrowed.

Prior to the Amendment Act, the Corporation could, under Section 23 of the IFC Act, guarantee only (i) loans floated by an industrial concern in the market and (ii) with the prior approval of the Central Government, deferred payments due from any industrial concern in respect of import of capital goods from outside India. The Amendment Act empowers the Corporation to guarantee, in addition (i) loans raised by industrial concerns from scheduled banks or State co-operative banks, (ii) deferred payments in connection with the purchase of capital goods manufactured in India and (iii) with the prior approval of the Government of India, loans raised from or credit arrangements made by industrial concerns with any bank or financial institution outside India in foreign currency. Section 23(1)(f) of the amended Act also empowers the Corporation to subscribe directly to the stock and shares of any industrial concern, which it was so far prohibited from doing. Further, to enable it to share in the prosperity of the concerns which it has assisted, the Corporation is allowed in terms of Section 23(1)(i) to provide in agreements with industrial concerns, that the loans granted by it or the debentures subscribed to by it will be convertible, at the option of the Corporation, into stock or shares of the industrial concerns concerned within the period the loans or debentures are repayable.

Under Section 24 of the IFC Act, the Central Government's guarantee as to the principal and interest was required for loans or advances sanctioned or guaranteed or debentures subscribed to by the Corporation for an amount exceeding Rs. 1 crore in respect of a single industrial concern. Since the Government owns 20 per cent of the share capital of the Corporation and has guaranteed the balance of the share capital as also the bonds issued by the Corporation, this additional guarantee was considered unnecessary, and the Section has been amended to provide only for prior approval of the Central Government in such cases. The Amendment Act has also enlarged the definition of an 'industrial concern' so as to include industrial concerns engaged or to be engaged in the preservation of goods.

As regards *State Financial Corporations*, one new Corporation was set up during the year in the State of Gujarat following the bifurcation in May 1960 of the Bombay State. With the establishment of this Corporation, financial corporations are now functioning in all the 15 States in India*.

Loans and advances sanctioned by State Financial Corporations rose sharply to Rs. 9·16 crores in 1960-61 from Rs. 5·91 crores in 1959-60. Total disbursements also increased from Rs. 3·99 crores to Rs. 4·75 crores.

Since their inception upto end-March 1961, the total loans and advances sanctioned by all the State Financial Corporations amounted to Rs. 36·17 crores, of which Rs. 22·16 crores or over three-fifths were disbursed. The total amount of loans and advances outstanding at the end of March 1961 was Rs. 17·10 crores as against Rs. 14·19 crores in the previous year. The ratio of loans and advances to total assets registered a further rise from 54 per cent to 57 per cent.

* Including the Madras Industrial Investment Corporation Ltd., incorporated under the Companies Act and functioning on the lines of a State Financial Corporation for the Madras State since 1949.

The total amount of bonds outstanding in respect of the State Financial Corporations as at end-March 1961 was Rs. 7·17 crores—the same as at end-March 1960. Three State Financial Corporations, viz., Assam, the Punjab and Andhra Pradesh have since augmented their resources through the issue of 4-1/2 per cent Bonds 1971 for a sum of Rs. 50 lakhs each, the issue price being Rs. 99·50, Rs. 99·00 and Rs. 100·00, respectively.

The *Industrial Credit and Investment Corporation of India Ltd.*, recorded a further significant advance in its operations during the year ended December 31, 1960, the total volume of assistance sanctioned as well as disbursed during the year being the largest for any year since its inception in 1955. The Corporation approved, during 1960, assistance for a total of Rs. 13·43 crores in respect of 44* companies as against an amount of Rs. 8·41 crores sanctioned in respect of 27 companies during 1959. Of the Rs. 13·43 crores of assistance sanctioned, rupee assistance in the form of loans, underwriting of, and direct subscriptions to, shares accounted for Rs. 5·81 crores (or 43 per cent of the total assistance approved) and foreign currency loans for the balance of Rs. 7·62 crores (or 57 per cent). The amount disbursed (including the amount in respect of foreign currency loans) during the year under review aggregated Rs. 3·11 crores as against Rs. 2·99 crores during 1959.

The Corporation completed during the year 1960, 5 underwriting operations for a total of Rs. 1·72 crores (as against 7 operations for a total of Rs. 1·93 crores during 1959) in respect of which it had to take up Rs. 1·23 crores; the Corporation also had to take up during the year an amount of Rs. 33 lakhs in respect of 2 underwriting operations pending at the end of 1959.

Total financial assistance sanctioned by the Corporation since its inception in 1955 upto the close of 1960, amounted to Rs. 31·41 crores† in respect of 95 companies as compared to Rs. 20·40 crores† in respect of 59 companies by the end of 1959 and Rs. 13·37 crores† in respect of 44 companies by the end of 1958. Of the Rs. 31·41 crores sanctioned upto the end of 1960, as much as Rs. 19·18 crores (61 per cent) were in the form of loans and guarantees (46 foreign currency loans for Rs. 12·63 crores and 32 rupee loans and guarantees for Rs. 6·55 crores), Rs. 9·67 crores in the form of 32 underwriting operations in respect of ordinary and preference shares and debentures and Rs. 2·56 crores in the form of direct subscriptions to ordinary and preference share issues. The amount disbursed by the Corporation upto the end of 1960 totalled Rs. 12·46 crores (including Rs. 34 lakhs in respect of rights shares). Of this, Rs. 3·97 crores were in rupee loans, Rs. 3·54 crores in foreign currency loans, Rs. 2·96 crores (paid-up) in underwriting operations and Rs. 1·99 crores (paid-up) in direct subscriptions to ordinary and preference shares.

To meet the steadily growing scale of its operations, the Corporation further augmented its foreign exchange resources during the year by obtaining a third line of credit of U.S. \$20 million (Rs. 9·52 crores) from the World Bank, the first two

* Of these, 17 were sanctioned assistance in both rupees and foreign currencies.

† Excluding applications sanctioned but subsequently withdrawn, reduced or not proceeded with by the applicant companies.

having been of U.S. \$10 million each obtained in 1955 and in 1959. Also, a loan to the Corporation of U.S. \$5 million (Rs. 2.38 crores) was approved during the year by the Development Loan Fund of the U.S.A.

The *Refinance Corporation for Industry Ltd.** recorded a significant expansion in its activities during the year, reflecting partly the stringent conditions in the money market and liberalisation in the terms of lending by the Corporation. The Corporation received during the year 34 applications for Rs. 5.63 crores as against only 12 applications for Rs. 1.73 crores in 1959-60. Of these, 24 applications for Rs. 3.53 crores were sanctioned during 1960-61, as against 12 applications for Rs. 1.73 crores during the preceding year. The amount disbursed in 1960-61 was also higher at Rs. 1.86 crores as against Rs. 1.16 crores in 1959-60.

Since its inception in June 1958 upto the end of March 1961, the Corporation received 54 applications† for Rs. 9.84 crores† of which 44 applications for Rs. 7.69 crores‡ were sanctioned while 6 applications for Rs. 1.02 crores were under consideration. Disbursements amounted to Rs. 3.22 crores, of which Rs. 3.09 crores remained outstanding at the end of March 1961. The more important among the industries receiving the Corporation's assistance included mechanical and electrical engineering, cotton textiles, ferro-manganese, sugar manufacturing, cement, acids and fertilisers, staple fibre and industrial gases.

With a view to enlarging the scope of its activities and also imparting a measure of flexibility to its operations, the Corporation introduced during the year certain changes liberalising its scheme of refinance broadly in line with the proposals which it had formulated in 1959-60 (referred to in the last Report). The changes introduced were (1) the extension of the refinance facilities to (a) 43 more banks (in addition to the 15** banks which are shareholders of the Corporation), (b) 15 State Financial Corporations†† and (c) 3 State co-operative banks, without requiring them to become shareholders of the Corporation, (2) the removal of the conditions that (a) the financing institutions should keep a minimum spread of 1½ per cent between the rate of interest at which they borrow from the Corporation (at present 5 per cent) and the rate at which they lend to the industrial concerns and (b) loans carrying interest terms less favourable to the borrower than the usual terms of local financial agencies will not be eligible for refinance; the financing institutions will now be free to charge interest at rates which appear appropriate to them, subject

* The Refinance Corporation for Industry which was a private limited company became a public limited company with effect from March 28, 1961, as the Companies (Amendment) Act, 1960, which came into force at the end of December 1960, provides, among other things, that a private company in which not less than 25 per cent of the paid-up share capital is held by one or more bodies corporate, will automatically become a public company on the expiry of 3 months from the date of the coming into force of the Amendment Act. The entire share capital of the Refinance Corporation is held by corporate bodies.

† 3 applications for Rs. 80 lakhs were rejected and one application for Rs. 15 lakhs was withdrawn.

‡ Of the sanctioned amount, Rs. 45 lakhs will not be availed of.

** The business of the Eastern branches of one of the banks, the Lloyds Bank Ltd., has since been taken over by the National and Grindlays Bank Ltd.

†† Including the Madras Industrial Investment Corporation Ltd., incorporated under the Companies Act.

to review by the Corporation, (3) the widening of the list of industries eligible for refinance loans so as to include industries other than those listed for development in the private sector in the Second and subsequent Five-Year Plans, which are considered by the Corporation to be in conformity with the purposes of the development plans, (4) the decision to entertain applications, in exceptional cases, in respect of industrial concerns whose paid-up capital and free reserves are above the limit of Rs. 2½ crores and to consider loans for a longer period upto 10 years in exceptional cases (normally the period of the loans to be refinanced by the Corporation is 3-7 years) and (5) the decision to extend the refinance facilities to loans made by eligible financial institutions to small-scale industries provided they satisfy other conditions and are guaranteed by the Guarantee Organisation under the Government of India Scheme for the guarantee of advances to small-scale industries.

During the year under review, the *National Industrial Development Corporation Limited* recorded further progress. The total amount of loans sanctioned by the Corporation to jute and cotton textile industries for modernisation and rehabilitation rose from Rs. 14.41 crores at the end of March 1960 to Rs. 19.59 crores at the close of March 1961; actual drawals by the mill companies aggregated Rs. 6.58 crores, or 34 per cent of total loans sanctioned, as against Rs. 5.01 crores at the end of March 1960. Financial assistance sanctioned to the machine tool industry upto the end of March 1961 totalled Rs. 35 lakhs. Under the Corporation's scheme of short-term financial assistance to the jute and cotton textile industries for purposes of acquiring indigenous machinery on hire-purchase basis*, assistance aggregating Rs. 30 lakhs had been sanctioned by the Corporation upto March 31, 1961. The Corporation has recently introduced yet another scheme for providing loans to the jute and cotton textile industries on a short-term basis against guarantees and against collateral security for the installation of imported machinery.

Financing of Small-Scale Industries.—A significant development in the sphere of financing of small-scale industries was the coming into force on July 1, 1960, of the Scheme for guaranteeing loans granted by specified banks and other financial institutions to small-scale industries (referred to in last year's Report). The Scheme, which, to start with, covered 22 approved districts, was extended during the year to 4 additional districts and also to 'Greater Calcutta' in place of Calcutta proper. The coverage of the Scheme was extended to 26 additional districts with effect from June 28, 1961. With this extension, the Scheme covers 52 districts, including all the 35 intensive centres under the State Bank of India's scheme for the provision of credit to small-scale industrial units.

The 'Guarantee Organisation' set up for implementing the Scheme commenced receiving applications for guarantee from credit institutions towards the close of September 1960. Upto the end of March 1961, it had received 610 applications for a sum of Rs. 2.08 crores, of which 523 applications for an aggregate sum of Rs. 1.75 crores had been accepted for guarantee; a few applications were returned as ineligible or were withdrawn by the credit institutions while the remaining were pending consideration by the Guarantee Organisation.

* For details, please refer to the Report on Currency and Finance for 1958-59.

With a view to facilitating the operation of the Scheme, the Guarantee Organisation proposed, during the year, certain changes in the Scheme. Two of the more important of these changes were: (1) Under the earlier participation arrangement, advances granted by banks and financial institutions other than those specified under the Scheme were eligible for guarantee facilities only if a specified credit institution participated in such advances to the extent of not less than 25 per cent of the amounts thereof; in order to facilitate the working of the participation arrangement, particularly in the case of co-operative institutions, it was proposed to provide as an alternative, risk participation (*i.e.* the specified credit institution need not participate in advances but should undertake to participate in the resultant losses, if any) and (2) with a view to enabling the State Financial Corporations, which usually grant loans for periods of 10-12 years to take full advantage of the Scheme, it was proposed to make advances for periods exceeding 7 years also eligible for guarantee, provided, however, that the guarantee would not extend beyond 7 years from the date of first disbursement of the advance. These changes have since been approved by the Government of India.

The Government of India, as part of a positive policy to assist the promotion and development of small-scale industries, have been providing financial assistance to the State Governments in the form of loans and grants for purposes of loans to small-scale industries. The volume of such assistance provided by the Centre to the States has steadily increased from Rs. 4.34 crores in 1958-59 to Rs. 4.77 crores in 1959-60 and further to Rs. 4.95 crores in 1960-61; a somewhat larger provision *viz.*, Rs. 5.60 crores has been made in the budget for 1961-62.

During the first four years of the Second Plan, an amount of Rs. 10.07 crores had been advanced to small-scale industries by the various State Governments under the State Aid to Industries Acts. In addition, loans to the extent of Rs. 5.09 crores had also been sanctioned upto June 30, 1960, by the State Financial Corporations of Punjab, Kerala, Bombay, Assam, Andhra Pradesh, West Bengal, Uttar Pradesh, Bihar, Rajasthan, Madhya Pradesh, Orissa and Madras from their own funds.

The State Bank of India's Scheme for the co-ordinated provision of credit to small-scale industries (referred to in previous Reports) recorded considerable progress during the year. The number of units assisted and the amount of credit limits sanctioned to small-scale industrial units under the Scheme rose from 1,691 and Rs. 5.11 crores as on March 31, 1960 to 2,633 and Rs. 8.85 crores, respectively, by end-March 1961. The amount outstanding at the end of March 1961 was Rs. 4.21 crores as against Rs. 2.00 crores at the end of March 1960. In addition, the eight subsidiary banks of the State Bank of India had also assisted, in their respective areas of operation, by the end of March 1961, 484 small-scale industrial units, the credit limits sanctioned and the amount outstanding being Rs. 3.70 crores and Rs. 1.69 crores, respectively.

During the year, the State Bank of India also made a beginning in the field of providing credit facilities to industrial co-operatives, and sanctioned for the purpose an amount of Rs. 1.59 lakhs in respect of 8 industrial co-operatives.

Mention was made in previous Reports of the agency arrangements concluded by the State Bank of India with the Bombay, West Bengal, Uttar Pradesh, the Punjab and Andhra Pradesh State Financial Corporations, in pursuance of the policy of co-ordinating the activities of the various agencies providing financial assistance to small-scale industries. During the year, the Rajasthan Financial Corporation decided to enter into similar arrangement with the State Bank of India and its subsidiaries. The State Bank of Travancore, a subsidiary of the State Bank of India, is also expected to enter into a similar agreement with the Kerala Financial Corporation shortly.

Mention was also made in the earlier Reports of the agency arrangements in operation in the States of Uttar Pradesh, Andhra Pradesh, Bombay and the Punjab under which the State Financial Corporations in these States act as agents of their respective State Governments for routing the concessional finance provided by the Government to small-scale industries under the State Aid to Industries Acts/Rules. During the year, the Kerala, Rajasthan, Gujarat and Assam Financial Corporations were also appointed as agents of their respective State Governments for the above purpose.

A reference was made in last year's Report to the negotiations that were in progress between the State Bank of India and the National Small Industries Corporation for enlarging the scope of the Corporation's existing guarantee scheme to cover all stages of production, *i.e.*, from the purchase of raw materials to the disposal of finished goods. The Corporation signified, during the year under review, its agreement to the proposal in principle and a suitable scheme is being drawn up by the State Bank of India in consultation with the Corporation. The State Bank of India had, in the meanwhile, sanctioned credit limits aggregating Rs. 4.86 lakhs in respect of 14 units under the Scheme.

During the year under review, the *National Small Industries Corporation* recorded further progress both under its scheme (i) to secure orders to small-scale industries from Government Departments and (ii) for supply of machinery required by them under its hire-purchase scheme. The Corporation had secured, by the end of September 1960, 2,431 orders valued at Rs. 7.58 crores for small-scale industrial units as against 1,525 orders valued at Rs. 5 crores at the end of December 1959. Under the hire-purchase scheme, the Corporation had accepted, as of the same date, 3,471 applications for 13,006 machines valued at Rs. 13.4 crores against which it had delivered 3,963 machines valued at Rs. 3.6 crores. At the end of 1959, the Corporation had accepted 2,167 applications for the supply of 8,085 machines valued at Rs. 7.6 crores of which 3,204 machines valued at Rs. 2.8 crores had been delivered.

The Corporation also introduced, during the year, further relaxations in respect of its hire-purchase scheme and also simplified the procedure connected with applications from small-scale units for securing machinery under the scheme. In case of applications for machinery sponsored by the State Governments, only 5 per cent of the value of the requisite machinery is now required to be given

as earnest money provided the balance of 15 or 25 per cent, as the case may be, is covered by the guarantee of the sponsoring Government.

With a view to assisting small-scale industries through the supply of imported machinery on hire-purchase basis, the Corporation obtained during the year, a long-term credit of \$ 10 million from the U. S. Development Loan Fund. This line of credit may be used for procuring machines valued upto \$ 50,000 for a single applicant from any part of the world excepting the communist countries; machines in excess of \$ 50,000 must, however, be procured from the U.S.A. only.

The Companies (Amendment) Act, 1960.—Reference was made in the Report for 1955-56 to the Companies Act, 1956, which came into force from April 1, 1956. After about a year of its operation, Government set up a Committee (under the Chairmanship of Shri A. V. Visvanatha Sastri) to examine the structure of the Act with a view to removing the defects and deficiencies noticed in its working and also ensuring better fulfilment of the purposes underlying the Act. The Committee submitted its Report in November 1957 and an Amendment Bill based largely on the recommendations of the Committee was introduced in Parliament on May 1, 1959 ; the Bill was referred to a Select Committee on May 6, 1959. The Bill as reported by the Select Committee was passed by the Parliament and received the assent of the President on December 28, 1960. The more important changes made by the Amendment Act are given below.

1. The Act as amended empowers Government (a) to order a special audit of a company's accounts, if Government are of the opinion that the affairs of the company are not being managed in accordance with sound business principles or that the company is being managed in a manner likely to cause serious injury or damage to the interests of the particular trade, industry or business or that the financial position of the company is such as to endanger its solvency, and (b) if it thinks that a likely transfer of shares in the company is likely to result in a change in management prejudicial to public interest, to direct that transfers of shares during a period, not exceeding three years, shall be void;

2. Under the amended Act, if 25 per cent or more of the paid-up share capital of a private company is held by one or more bodies corporate, the private company shall, subject to certain specified exceptions, become a public company. Further, a public limited company can be converted into a private limited company only with the prior approval of the Central Government:

3. Under the Companies Act, 1956, private companies which are subsidiaries of public companies are for all practical purposes treated as public companies and are subjected to various provisions of the Act which apply to public companies. The Amendment Act provides that a private company which is a subsidiary of a body corporate incorporated outside India shall be deemed to be a subsidiary of a public company for the purposes of this Act, if such body corporate, if it had been incorporated in India, would have been a public company and if the entire share capital in that private company is not held by that body corporate, whether alone or together with one or more other bodies corporate incorporated outside India;

4. No dividend shall be declared or paid by a company for any financial year, except out of the profits of the company for that year arrived at after providing for depreciation for that year as well as for arrears of depreciation or out of profits of the past years after providing similarly for depreciation, and dividend shall be payable in cash only* ;

5. No company shall employ at the same time more than one of the different categories of managerial personnel viz., Managing Director, Managing Agent, Secretaries and Treasurers and Manager ;

6. In enforcing the rule that no person shall at the same time be a managing agent of more than ten companies, a person will be deemed to be a managing agent of a company if he is entitled to exercise not less than 10 per cent of the total voting power in a public company being a managing agent of another company, or not less than five per cent of the total voting power in a private company, which is a managing agent of another company.

7. The balance sheet and profit and loss account placed before the shareholders at the annual general meeting should relate to a period ending not more than *six* months before the date of the meeting, instead of *nine* months as before.

8. A ceiling has been fixed in regard to the amount that may be contributed by a company to any political party or for political purpose, and the company is required to disclose in its profit and loss account information in regard to such contributions made by it.

9. Every branch of a company will have to be audited by its auditor or by a person who is qualified to act as an auditor, unless the branch is, by rules framed by Government, exempted from such audit. Prior to the Amendment also, auditing of accounts of branch offices was necessary, but the company could, by passing a resolution to that effect at the general meeting decide that one or more branches need not be audited.

10. Section 372 of the Companies Act dealing with purchase by one company of the shares of other companies in the same group, has been amended not only to make the intention behind this section clearer and its provisions more effective, but also to extend the principle underlying it to all inter-company investments in the shape of shares carrying voting rights. Under the Amended Act, an investing company can invest in the shares of any other company, whether it is in the same group or not, only upto 10 per cent of the subscribed capital of such other company and in the shares of all companies including companies in the same group, upto 30 per cent of the subscribed capital of the investing company. Further, total investments in shares and debentures of the investing company in all companies *in the same group* should not exceed 20 per cent of the subscribed capital of the investing company. These limits do not apply to banking and insurance companies and are subject to certain exceptions. Prior to the Amendment Act, the ceiling of 10 per cent was applicable only in respect of investments in a company in the same group and not any company, while there was no ceiling on the total investments of the investing company in other companies.

* This, however, does not prohibit the capitalisation of profits or reserves for the purpose of issuing fully paid-up bonus shares or paying up any amount unpaid on any shares held by the members of the company.

VI. BULLION MARKET

General.—With the continuing ban on imports and exports of gold and silver, the Indian bullion market during 1960-61 remained virtually isolated from world markets and the trends in bullion prices in India continued to be governed mainly by domestic factors. The bullion market wound up the Second Plan on a distinctly firm note with prices of both gold and silver showing substantial rises over the five year period, unlike in the First Plan period when prices had shown net declines, mainly on account of the sharp break in prices in the post-Korean slump. The rise in bullion prices during the Second Plan was an accentuation of the trend in the last two years of the First Plan and was due mainly to the steady deterioration in the supply situation in the context of a continuing high demand. The tight supply position in bullion was due to a number of factors which included (1) the acquisition, since June 1958, by the Government of India, of the entire domestic production of gold, (2) the decline since 1958-59, in the inflow of Tibetan silver coins which had been the major source of supplies of silver in the preceding two years and (3) a diminution in the inflow of smuggled gold owing to (a) the stricter vigilance exercised by the Customs authorities and (b) the issue of special notes in the Persian Gulf territories in May-June 1959. The bullion market was also bullishly influenced by the generally persistent firm trend in the commodity markets.

Abroad, in the free gold markets, during 1960 prices remained generally steady around the U.S. Treasury's buying and selling price of \$35 per ounce except during the shortlived 'gold rush' in the London market in October, when private non-monetary demand carried the 'daily fixing'* to a peak of \$40·50 on the 20th of that month after which, however, the rate came down to more normal levels, ranging from \$35·35 to \$36·50. In 1960, world gold production (excluding that in the U.S.S.R., for which figures are not available) increased—for the seventh year in succession—by 4·3 per cent from 32·5 million fine ounces to 33·9 million fine ounces, of which as much as 21·4 million or about two-thirds was accounted for by the Union of South Africa. Against estimated total world supplies of fresh gold during 1960 of about 40 million ounces (including sales of 6 million ounces by Russia), 16 million ounces were estimated to have been taken up by Central Banks and other similar official institutions, including the I.M.F., and 7 million ounces by industry and the arts. Private demand for gold was keener than in 1959 from almost all parts of the world. Besides the normal demand for hoarding from West and East Asia and South America, there were large purchases by private parties, induced mainly by strong expectations of a dollar devaluation owing to the heavy outflow of gold from the U.S.A.

In the international silver markets, silver prices ruled steady, the New York price quoting at 91·37 cents per ounce throughout the year; in 1959, the price had varied between 89·88 cents and 91·63 cents, while the average worked out to 91·20 cents. The sales of U.S. Treasury free silver, which continued to be an important

* Every working day, the representatives of the five member firms of the London bullion market meet to 'fix' a price for gold. Earlier in the day, each of the firms match as many as possible of the buying and selling orders received from its clients. Later, at a meeting, the firms 'fix' a price at which their net offerings or demands may be met.

source of supply for both industrial and coinage purposes, amounted during 1960 to 67·5 million ounces of which industry accounted for 21·5 million ounces as against 33 million ounces in 1959. The London spot price (per ounce) of silver ranged between 79·00 d. and 80·25 d. during 1960, the average price for the year working out at 79·38 d. as against 78·82 d. in 1959. World production of *silver* (excluding the Communist bloc countries), which had dipped by 10·5 per cent to 184 million ounces in 1959 due to the strikes in the non-ferrous metal industry in the U.S.A., recovered by 10 per cent to 202·5 million ounces in 1960, close to the high of 205·7 million ounces produced in 1958. World consumption of silver was also estimated to have risen in 1960 by 6·8 per cent to 319·3 million ounces on top of an increase of about 10·7 per cent during 1959.

In Bombay, prices of both metals showed substantial increases over the year, despite occasional sharp set-backs, for example, during the latter half of May 1960 and again towards the close of the financial year. The prices (ready) of gold and silver soared to new all-time peaks of Rs. 124·40 (per 10 grams)* for gold on March 6, 1961 and of Rs. 209·30 (per kilogram)* for silver on February 10, 1961. The ready rate in gold recorded a net rise of Rs. 7·60 (or 6·8 per cent) from Rs. 111·75 to Rs. 119·35 per 10 grams, on top of a rise of Rs. 8·63 (or 8·4 per cent) in 1959-60 and of Rs. 7·69 (or 8·1 per cent) in 1958-59. In silver, the rise was Rs. 16·43 (or 8·8 per cent) from Rs. 185·67 to Rs. 202·10 per kilogram as compared to Rs. 14·25 (or 8·3 per cent) in 1959-60 and Rs. 3·60 (or 2·1 per cent) in 1958-59. In gold, the average price for 1960-61 was higher than that for 1959-60 by 7·7 per cent and in silver by 10 per cent. The range of price variations widened from Rs. 15·54 in gold and Rs. 22·62 in silver during 1959-60 to Rs. 17·28 in gold and Rs. 28·30 in silver during 1960-61. As compared to 1955-56, the last year of the First Plan, the average prices of gold and silver in 1960-61 were higher by 39·8 per cent and by 33·9 per cent, respectively.

The rise in prices during 1960-61 occurred, despite the operation *throughout* the year, of special margins against bulls. The bullish trend noticed since about mid-1958 reflected basically the paucity of supplies relative to demand, resulting from the continuing impact of the various factors referred to in detail in the last Report and briefly at the commencement of the chapter. The price trends in gold and silver during 1960-61 are noticed below separately and in some detail.

In India, the domestic production of gold declined further—for the sixth year in succession—during 1960. The output amounted to 4,995 kilograms (1,60,578 ounces) in 1960† as compared to 5,144 kilograms (1,65,396 ounces) in 1959; it was 7,440 kilograms (2,39,168 ounces) in 1954. The decline in output was attributed mainly to the continuous fall in the grade of ore mined. In silver, however, the

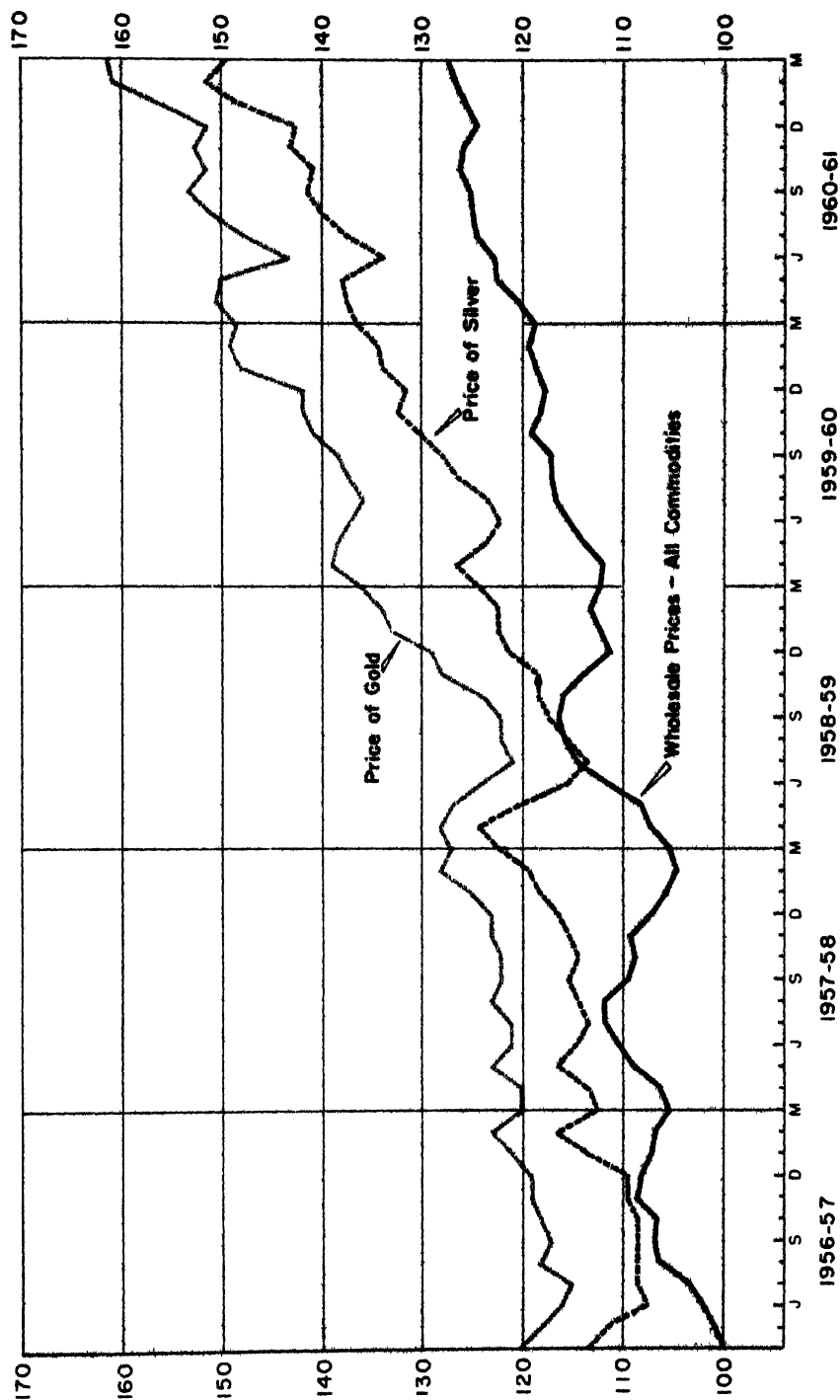
* In the Bombay market, under the metric system, which was introduced on October 1, 1960, the unit of trading in *gold* has been fixed at one kilogram and the market quotation is for 10 grams; previously, the unit of trading was 250 tolas and market quotation per tola (1 tola = 11·6638 grams). In *silver*, the unit of trading has been fixed at 10 kilograms and the market quotation is for one kilogram as against the unit of trading of 2800 tolas and market quotation per 100 tolas under the old system.

† Provisional.

GRAPH 11

INDEX NUMBERS OF BULLION (SPOT) PRICES AND WHOLESALE PRICES

BASE 1952-53=100



output, which had risen from 3,415 kilograms (1,09,827 ounces) in 1958 to 3,881 kilograms (1,24,804 ounces) in 1959, rose further to 4,128 kilograms (1,32,704 ounces) in 1960.*

Gold Prices.—The price of gold, which had stood at Rs. 111·75 (per 10 grams) on March 31, 1960, soared to Rs. 118·91 by May 5, 1960 following a sharp rise in the demand, both seasonal and speculative. Thereafter, with the tapering off of the seasonal demand and the stringent measures adopted by the authorities (referred to later) to check an undue rise in prices, a bearish tendency set in lasting upto the third week of June. The price touched a low of Rs. 107·12 on June 1 and ruled around that level upto June 21. In July, the bullish trend reasserted itself which continued upto mid-September, although the period coincided with the traditional slack season. The main bullish factors included (1) the reported infiltration by Chinese troops into Nepal, (2) increased demand against smaller arrivals, (3) firmness in commodity markets, (4) seizure of contraband gold in Calcutta and (5) relaxations in special margins against bulls in *Asho* and *Kartak* settlements. The price spurted up from Rs. 107·65 on June 21 to Rs. 116·89 on September 16. From the second half of September upto the end of December, the market turned generally quiet, the rise being restrained by (i) larger arrivals relatively to offtake, (ii) the Reserve Bank's credit restraint measures announced on September 21 (for details see Chapter IV) and (iii) expectations of a possible resurgence of smuggling activity in gold following improved political relations with Pakistan. The October 'gold rush' in London and other overseas markets did not have any significant impact on gold prices in India, which were already more than double the international prices. Between the second half of September and December-end, the rate fluctuated between Rs. 112·40 (on October 7) and Rs. 116·10 (on November 28) and stood at Rs. 114·05 on December 31. With the turn of the year, however, with a marked expansion in seasonal demand, the market turned bullish, aided by reports of growing international political tension. The ready rate rose to a high of Rs. 123·20 on February 10 and, after a temporary reaction to Rs. 120·75 on February 24, rebounded again to touch an all-time peak of Rs. 124·40 on March 6. Towards the close, prices evinced a sharp reaction following (i) the premature tapering off of the seasonal demand and (ii) apprehensions of possible action by the Forward Markets Commission to curb unhealthy speculation. The ready rate, which had touched an all-time peak of Rs. 124·40 on March 6, declined to Rs. 118·85 on March 29 and closed for the year at Rs. 119·35. This level represented a rise of Rs. 7·60 (6·8 per cent) as compared to the level a year ago and of Rs. 28·58 (31·5 per cent) relatively to that at the beginning of the Second Five-Year Plan.

Silver Prices.—Silver prices followed broadly the trend of prices in gold. The ready rate shot up from Rs. 185·67 (per kilogram) on March 31, 1960 to Rs. 198·26 by May 5 on a broadening of the seasonal demand. With the ending of the traditional busy season and partly as a result of the measures adopted by the authorities to curb unhealthy speculation, the rate dropped sharply to a low of Rs. 181 on June 1. But the setback proved short-lived and, as in gold, the uptrend was resumed and, despite the progress of the slack season, the rate rose to Rs. 194·62 by September

23. Thereafter, prices fluctuated both ways, upto the third week of December. Initially, there was a reaction to Rs. 190·10 by October 8, following the Reserve Bank's credit restraint measures of September 21. With the advent of the busy season, the market regained its earlier strength and the rate rose to Rs. 196·40 by the end of November but reacted to Rs. 192·30 by December 20, on rumours of official sales of silver. From the last week of December, with the growing pressure of seasonal off-take, distinctly buoyant conditions were in evidence, which carried the price to a new all-time peak of Rs. 209·30 on February 10. This was followed by a set-back, the main contributory factors being (i) rumours from Calcutta that Government might release 100 tons of silver for sale and (ii) the refusal by the Forward Markets Commission of permission for trading in the *Vaisakh* settlement. The price dipped to Rs. 200·60 on March 29, before closing for the year at Rs. 202·10. This level was Rs. 16·43 (or 8·8 per cent) higher than that a year ago and Rs. 46·65 (30 per cent) higher than that at the beginning of the Second Five Year Plan.

Futures Trading in Bullion.—The main event affecting the Bombay bullion market during 1960-61 was the taking over on October 26, 1960, by the Forward Markets Commission, of the control of forward trading in bullion in Bombay from the Government of Maharashtra. It may be recalled that, in their Report on the Recognition of Associations in respect of Forward Contracts in gold and silver, submitted to the Government of India in May 1957, the Forward Markets Commission had recommended that (1) forward trading throughout India should be brought within the purview of the Forward Contracts (Regulation) Act, 1952 and that (2) futures markets in respect of gold and silver be established at Bombay and Delhi and in respect of silver only at Jaipur and Calcutta. The Government of India, however, had decided in February 1958 that the *status quo* should continue.

On October 26, 1960 the Central Government issued notifications applying Sections 15 and 18(3) of the Forward Contracts (Regulation) Act, 1952 to forward trading in gold and silver in the area within the limits of Greater Bombay. Simultaneously, recognition was granted under Section 6 of the Act to the Bombay Bullion Association Ltd. to conduct forward trading in gold and silver for a period of three years. According to these notifications, the Bombay Bullion Association—the only Association hitherto recognised by the Government of Maharashtra under the Bombay Forward Contracts Control Act, 1947 for the purposes of futures trading in Bombay—has now been recognized under the Central Forward Contracts (Regulation) Act, 1952 and has come under the purview of the Forward Markets Commission. The position regarding forward trading in bullion in the rest of the country remains unchanged.

Reflecting mainly the paucity of stocks relative to demand during 1960-61, futures trading in the Bombay bullion market continued to be characterised by excessive speculative activity, and with a view to restraining unhealthy trends, further efforts were made by the authorities to tighten up the existing margin system as well as to devise new measures. Mention has already been made in last year's Report of the action taken to enable the authorities to apply the margins (payable under Bye-law 33D), to the *total* long position instead of to the *net* open position and also to increase the special margins, payable under Bye-law 33(A)

upto 50 per cent of the value of the metals. Subsequent to the taking over on October 26, 1960 of the regulation of forward trading by the Forward Markets Commission, the bye-laws of the Bombay Bullion Association were amended so as to empower the Commission to impose any system of special margins, to take other suitable steps in emergency, such as prohibition of trading in any settlement, fixation of maximum and minimum prices, postponement of settlement days etc. and also to withhold permission for the commencement of trading for any settlement or settlements where in its opinion it is expedient to do so. During the year, special margins were imposed in *all* the settlements in both metals as against only in four settlements in the preceding year, although automatic margins under bye-law 33C, which are based on price variations, and under bye-law 33D, based on changes in the *bullia* rates, became operative less frequently during the year than in the preceding year. Special clearings under bye-law 104 (2), designed to ensure prompt payment of differences when price fluctuations become excessive were held four times during 1960-61 as against thrice in 1959-60.

Despite the operation of stringent margins, the bullish tendency showed no signs of abatement and prices soared to successive new peaks in the early part of 1961. Moreover, with the busy season still to run for about two months, it was apprehended that bulls might succeed in pushing up the values still further. In this context, the Forward Markets Commission decided to drop the *Vaisakh* settlement in which speculative activity usually assumes excessive proportions and to permit trading only in the subsequent *Adhik Jeth* settlement. Partly as a result of this action and partly as a sequel to a fall in the demand for ready, bullion prices showed a reactionary tendency. The price of gold, which had touched an all-time peak of Rs. 124.40 on March 6, 1961, declined to a low of Rs. 117.65 by April 5, 1961 and stood at Rs. 118.80 on May 31, 1961. Similarly, in silver the ready rate declined from Rs. 208.20 on March 6, 1961 to Rs. 196.95 on May 5, 1961 and stood at Rs. 198.50 on May 31, 1961.

The continued operation of stringent margins against bulls led to a slackening in activity on the Bombay bullion market as evidenced by a considerable shrinkage in the volume of futures business. Available data indicate that the turnover in gold fell from 0.4 million kilograms in 1959-60 to 0.2 million kilograms in 1960-61; in 1955-56, the turnover had amounted to 0.6 million@ kilograms. Similarly, the turnover in silver declined from 3.3 million bars of 10 kilograms each to 1.1 million bars; in 1955-56, the turnover was 4.6 million@ bars.

With a view to meeting the changed market conditions of dwindling stocks in relation to the demand and diminishing turnover during the last two years or so, the Board of the Bombay Bullion Association attempted to devise a new hedge contract during the year. In August 1960, the Board submitted to the Government of Maharashtra certain proposals for abolishing the existing monthly contracts in favour of two half-yearly contracts. No action was taken in regard to these proposals. However, soon after the close of the year 1960-61, the Bombay Bullion Association

@ Figures relate to 9 months during which period forward trading was permitted on the Bombay bullion market.

framed fresh proposals for trading in bullion on the basis of three-monthly Delivery Contracts instead of the existing monthly contracts. According to the more important of these proposals, in place of the existing monthly contracts, there are to be four quarterly contracts maturing on the 15th of *Magsar*, *Fagan*, *Jeth* and *Bhadrapad*. Delivery of spot metals in respect of each of the four settlements will be compulsory; buyers will have the right to demand delivery in respect of their outstanding purchases and sellers will have to give delivery in respect of their outstanding sales at the end of each contract on specified dates. In the event of a seller's failure to give delivery, the sales will be settled by auction. The new proposals, however, provide for *optional* monthly delivery dates in respect of each three-monthly settlement and the seller will have the option to give delivery in respect of his outstanding sales on any of the monthly optional delivery dates. If the seller fails to exercise the option at the monthly optional delivery date, he shall carry forward his outstanding sales to the immediately following monthly optional delivery date, or to the three-monthly compulsory delivery date, as the case may be, on payment to the buyer of the prescribed monthly carry-forward charges of 40 nP. per 10 grams in gold and 80 nP. per kilogram in silver. Under the new proposals, the Forward Markets Commission may, in the interests of trade, withhold permission for the commencement of trading for any three-monthly settlement or settlements, without affecting trading for any subsequent three-monthly settlement or settlements. The proposals have since been approved by the Forward Markets Commission and the first three-monthly contract *Bhadrapad* opened for trading on June 26, 1961.

VII. PUBLIC FINANCE

General.—A noteworthy feature of Government finances in recent years has been the progressive decline in the combined overall deficits of the Centre and the States, despite the growth in Plan outlays. The overall deficit of the Centre and States, as revealed in the budget documents, was as high as Rs. 478 crores in 1957-58 but it declined to Rs. 169 crores* in 1958-59 and further to Rs. 158 crores** in 1959-60. For 1960-61 (revised estimates), it is estimated to amount to only Rs. 126 crores†. The deficit for 1960-61 was mainly on account of the States, the deficit of the Centre being small. The Central Government's overall deficit for 1960-61 has been placed at only Rs. 34 crores† as compared to Rs. 170 crores** in 1959-60, being made up of an increase of Rs. 15 crores in Treasury bills and a decline of Rs. 19 crores in cash balances. Against a surplus of Rs. 11 crores in 1959-60, the State Governments' overall deficit is estimated to amount to Rs. 92 crores in 1960-61; the deficit comprised a withdrawal of Rs. 14 crores from cash balances and net sales of securities of Rs. 78 crores.

The Centre's deficit for 1960-61, as shown in the budget documents, has been computed after taking credit for Rs. 240 crores on account of the accrual of P.L. 480 funds to Government through sale of special securities to the U.S. Embassy under the revised procedure for the placement of these funds adopted from May 12, 1960; prior to this date, these funds accrued, principally in the form of time deposits, to the State Bank of India which invested them mostly in Government securities purchased from the Reserve Bank of India. However, if account is taken of changes in bank credit to Government (referred to in Chapter IV) and an adjustment is made for changes in P.L. 480 deposits with the State Bank of India, the overall deficit would work out to Rs. 109 crores in 1960-61 as compared to Rs. 174 crores in 1959-60.

For 1961-62, the first year of the Third Plan, an overall budgetary deficit of Rs. 194 crores (on the basis of existing taxation), is envisaged, of which Rs. 125 crores will be on account of the Centre and Rs. 69 crores on account of States. Taking into account the effect of budget proposals by the Centre and States, the deficit would be reduced to Rs. 122 crores. The higher estimated deficit in 1961-62 (on the basis of existing taxation) is mainly on account of smaller accruals of P.L. 480 funds than in 1960-61. Net receipts from market loans at Rs. 136 crores (Rs. 88 crores for the Centre and Rs. 48 crores for the States) are estimated to be only slightly higher than in 1960-61 (Rs. 134 crores), but they are likely to show a larger rise if, as in the past, some of the States, which have not taken credit for market loans in their budgets for 1961-62 also enter the market. Small savings are placed higher by Rs. 5 crores at Rs. 105 crores. As regards taxation, the Centre's budget for 1961-62 contains proposals for additional taxation

*Not taking into account the funding of Rs. 300 crores of Treasury bills in July 1958.

**Not taking into account Treasury bills of (1) Rs. 150 crores funded in December 1959 and (2) Rs. 18 crores created in connection with the purchase of gold for payment of additional subscription to I.M.F.

† Not taking into account the funding of Rs. 50 crores of Treasury bills in January 1961.

estimated to yield Rs. 63 crores (of which Rs. 2 crores would accrue to the States) ; this would, however, be reduced by Rs. 6 crores as a result of the subsequent modifications in the proposals. All but Rs. 3 crores of the additional taxation would come from indirect taxation. As regards direct taxation, apart from an increase in the rate of special surcharge on earned income over Rs. 1 lakh, the proposals envisage further simplification and rationalisation of the company income-tax structure ; the more important of the proposals in regard to company taxation are : (1) fixation of a uniform rate of super-tax on dividends on intercorporate investments, (2) a reduction in the super-tax on bonus issues, (3) extension of the benefit of the tax holiday under Section 15(c) of the Income-Tax Act to newly-started hotels, etc. In the States' sphere, ten States have proposed additional taxation estimated to yield Rs. 17 crores.

In keeping with the progress of the Plan, total revenues and expenditure of the Centre and the States showed a marked rise during the Second Plan period. Total revenue of the Centre rose by 72 per cent from Rs. 481 crores in 1955-56 to Rs. 828 crores in 1960-61 (revised estimates), tax revenue going up by 67 per cent from Rs. 411 crores to Rs. 685 crores. Total revenue of the States (inclusive of transfers from the Centre) showed an increase from Rs. 546 crores in 1955-56 to Rs. 1,011 crores in 1960-61 or by 85 per cent ; tax revenue accounted for a rise of 73 per cent, the yield moving up from Rs. 350 crores to Rs. 606 crores. Resources transferred by the Centre to the States in the form of shared taxes and grants rose from Rs. 177 crores in 1955-56 to Rs. 414 crores in 1960-61. During the Second Plan period, additional taxation raised by the Centre and the States is estimated at Rs. 797 crores and Rs. 244 crores, respectively, or a total of Rs. 1,041 crores, which exceeds the target of Rs. 850 crores originally envisaged in the Plan. The main feature of the increase in tax receipts was the increasing importance of the yield from indirect taxes. The ratio of tax revenue to national income (at current prices) rose only moderately from 8 per cent in 1955-56 to an estimated 9 per cent in 1960-61. Moreover, the proportion of tax revenue of the Centre and States to their respective total revenues declined from 85 per cent and 64 per cent in 1955-56 to 83 per cent and 60 per cent in 1960-61. As against this, the proportion of non-tax revenue to total revenue showed a rise from 15 per cent in 1955-56 to 17 per cent in 1960-61 in the case of the Centre and from 36 per cent to 40 per cent in the case of States ; the rise in the latter was mainly a sequel to the increase in grants made available by the Centre.

Between 1955-56 and 1960-61, total revenue expenditure of the Centre rose by 95 per cent from Rs. 441 crores to Rs. 862 crores. Much the larger part of the increase was on account of expenditure on social and development services which went up from Rs. 82 crores in 1955-56 to Rs. 244 crores in 1960-61 ; its ratio to total expenditure also rose from 19 per cent in 1955-56 to 28 per cent in 1960-61. Non-development expenditure recorded an increase of Rs. 260 crores from Rs. 358 crores in 1955-56 to Rs. 618 crores in 1960-61, but its proportion in total expenditure declined from 81 per cent to 72 per cent. Under non-development expenditure, expenditure on defence, civil administration and debt services registered sizeable increases but they formed a smaller proportion of total expenditure in 1960-61 than in 1955-56.

The total revenue expenditure of States recorded an increase of 60 per cent from Rs. 625 crores in 1955-56 to Rs. 997 crores in 1960-61. Of the rise of Rs. 372 crores, expenditure on social and development services accounted for Rs. 226 crores and non-development expenditure for Rs. 146 crores ; whereas the proportion of the former rose from 57 per cent in 1955-56 to 58 per cent in 1960-61, that of the latter declined from 43 per cent to 42 per cent.

Plan Outlay and Resources.—The Plan outlay in the public sector for 1960-61 is placed at Rs. 1,100 crores, as compared to Rs. 1,006 crores in 1959-60 (likely actuals). The total outlay on the Plan over the five-year period 1956-57 to 1960-61 is now estimated at Rs. 4,600 crores. According to data published in the Third Plan document, presented to Parliament early in August 1961, this outlay is estimated to have been financed to the extent of Rs. 1,152 crores through taxation and surpluses of public enterprises, Rs. 1,410 crores by mobilisation of private savings through loans, small savings, etc., Rs. 1,090 crores through external assistance and the rest through deficit financing estimated at Rs. 948 crores as against Rs. 1,200 crores originally envisaged. As regards the Third Plan, the total Plan outlay in the public sector has been estimated at Rs. 7,500 crores. The scheme of financing this outlay is as follows: taxation and surpluses of public enterprises (Rs. 2,810 crores), mobilisation of private savings (Rs. 1,940 crores), external assistance (Rs. 2,200 crores), and deficit financing (Rs. 550 crores). Of the total estimated outlay of Rs. 7,500 crores in the public sector in the Third Plan, the outlay proposed for 1961-62—the first year of the Plan—is Rs. 1,166 crores, representing only a modest increase of Rs. 66 crores over the outlay in 1960-61.

A. BUDGETS

Union Government

Revenue Account

General.—The trends in revenue and expenditure of the Central Government since 1950-51 are given in the table below:—

	(Crores of Rupees)										
	1950-51	1955-56	1951-56 Total	1956-57	1957-58	1958-59	1959-60	1960-61 (Bud- get)	1960-61 (Revised)	1956-61 Total	1961-62 (Bud- get)
Revenue (a)	405.8	481.2	2232.6	563.2	673.4	670.2	778.6	824.4	828.2	3513.7	926.2(b)
Expenditure	346.6	440.7	1983.0	473.8	631.3	675.5	736.0	885.1	861.9	3378.6	925.9
Surplus (+) or deficit (...)	+ 59.2	+40.5	+ 249.6	+ 89.4	+42.1	- 5.3	+ 42.6	-60.7	-33.7	+135.1	+ 0.3

(a) Excluding the States' share of excise duties and other taxes. (b) Including the effect of budget proposals; subsequent modifications in tax proposals estimated to cost Rs. 6.1 crores have not been taken into account.

1959-60 (Accounts).—The actuals for 1959-60 disclosed a substantial *surplus* of Rs. 43 crores as against the revised estimate of a deficit of Rs. 15 crores. The substantial surplus was due to a rise in receipts of Rs. 32 crores to Rs. 779 crores and a fall in expenditure of Rs. 26 crores to Rs. 736 crores, mainly under defence (Rs. 13 crores) and social and development services (Rs. 9 crores).

1960-61 (Revised Estimates).—The revised estimates for 1960-61 show a deficit of Rs. 34 crores, which is Rs. 27 crores lower than the budget estimate of Rs. 61 crores. The reduction in the deficit is due mainly to a sizeable decline of Rs. 23 crores to Rs. 862 crores, in expenditure and an increase of Rs. 4 crores to Rs. 828 crores in revenue. On the receipts side, while tax revenue is higher by Rs. 9 crores, non-tax revenue is lower by Rs. 5 crores. Net receipts from Union excise duties show a rise of Rs. 15 crores to Rs. 320 crores, reflecting mainly higher domestic production and larger clearances. Receipts from corporation tax and taxes on income (including the States' share) are higher by Rs. 3 crores and Rs. 23 crores, respectively, due mainly to the completion of a larger number of assessments pertaining to earlier years and better realisations than originally anticipated. At the same time, the share of income-tax payable to the States goes up by Rs. 35 crores. In the result, taxes on income *retained by the Centre* show a *decline* of Rs. 12 crores. Under non-tax revenue, grants under P.L. 480 programme are expected to be lower by Rs. 5 crores and receipts on account of surcharge on steel by Rs. 2 crores. The fall in expenditure occurred mainly under social and development services (Rs. 7 crores), defence services and miscellaneous (Rs. 6 crores each).

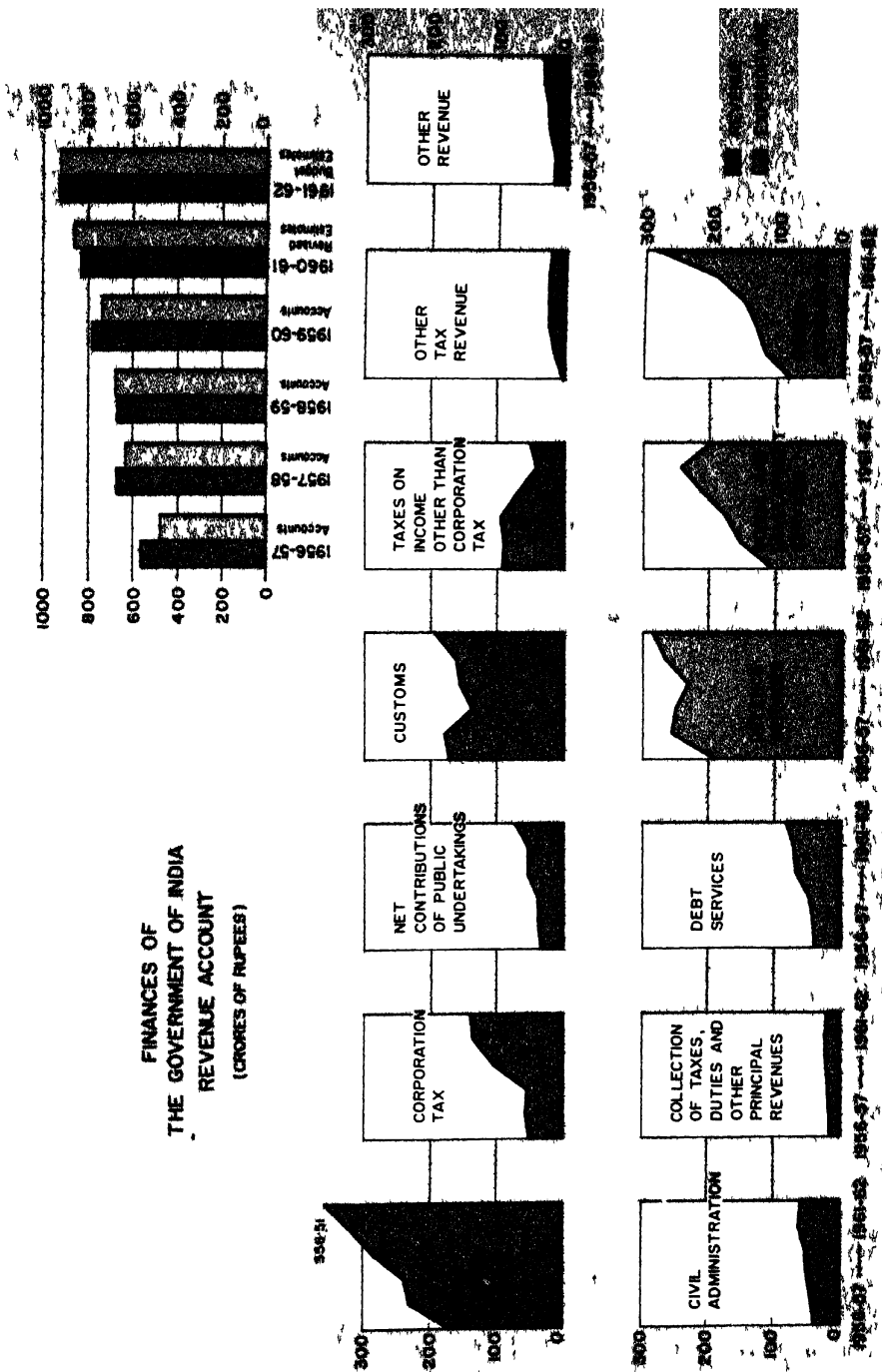
Reference was made in last year's Report to the tax proposals made in the 1960-61 budget and the subsequent changes made in these proposals. During the course of the year, as an export promotion measure, the scheme of granting rebates in respect of customs and central excise duties paid on raw materials used in the manufacture of export products was extended to a number of additional items (*vide* Chapter VIII).

As already mentioned, between 1955-56 and 1960-61 (R.E.), the total revenue retained by the Centre rose from Rs. 481 crores to Rs. 828 crores and the tax revenue from Rs. 411 crores to Rs. 685 crores. A feature of the growth in revenues of the Centre during the Second Plan period is the striking increase recorded by Union excise duties, the yield from this source (excluding States' share) going up by Rs. 191 crores from Rs. 129 crores in 1955-56 to Rs. 320 crores in 1960-61. The share of Union excise duties in total revenue, which had risen from 17 per cent in 1950-51 to 27 per cent in 1955-56, jumped to 39 per cent in 1960-61. As against this, the share of revenue under customs has shown a steady decline from 39 per cent in 1950-51 to 35 per cent in 1955-56 and further to only 20 per cent in 1960-61. Taxes on income (excluding the States' share) and Corporation tax together rose from Rs. 113 crores in 1955-56 to Rs. 178 crores in 1960-61, but their proportion to total revenue showed a progressive decline from 31 per cent in 1950-51 to 24 per cent in 1955-56 and to 22 per cent in 1960-61.

Total revenue expenditure rose by Rs. 421 crores from Rs. 441 crores in 1955-56 to Rs. 862 crores in 1960-61 (R.E.). Reflecting mainly the progressive increase in

GRAPH 12

FINANCES OF THE GOVERNMENT OF INDIA REVENUE ACCOUNT (CRORES OF RUPEES)



the expenditure on the Plan, expenditure on social and development services recorded the largest increase of Rs. 161 crores, its share in total expenditure going up from 19 per cent to 28 per cent. Defence expenditure showed an increase of Rs. 95 crores, but it accounted for a much smaller proportion of the total expenditure in 1960-61 (31 per cent) than in 1955-56 (39 per cent) and 1950-51 (47 per cent). Among other non-development heads, debt services showed a rise of Rs. 29 crores and civil administration of Rs. 28 crores. Debt services formed 8 per cent of the total revenue expenditure in 1960-61 as against about 10 per cent in 1955-56 and about 11 per cent in 1950-51.

1961-62 (Budget Estimates).—In the budget for 1961-62, revenue (at the existing levels of taxation) is placed at Rs. 865 crores and revenue expenditure at Rs. 926 crores, leaving a deficit of Rs. 61 crores. The Finance Minister announced proposals for additional taxation estimated to yield to the Centre Rs. 61 crores, thus converting the deficit into a nominal surplus of Rs. 27 lakhs. However, after taking into account subsequent modifications in the taxation proposals costing about Rs. 6 crores, the budget will show a deficit of Rs. 6 crores as compared to a deficit of Rs. 34 crores for 1960-61 (R.E.). As compared to the revised estimates for 1960-61, both revenue (including the effect of budget proposals but excluding the effect of subsequent modifications) and expenditure show increases of Rs. 98 crores and Rs. 64 crores, respectively. Tax revenue accruing to the Centre is placed at Rs. 768 crores or higher by Rs. 83 crores than in the revised estimates for 1960-61. Net receipts from Union excise duties and customs will show increases of Rs. 39 crores and Rs. 30 crores, respectively. Taxes on income and corporation tax will show a rise of Rs. 15 crores. Under non-tax revenue, the net contribution of public undertakings shows a rise of Rs. 19 crores, reflecting mainly the increased contribution from Railways (Rs. 16 crores) and the anticipated increase in the surplus profits of the Reserve Bank (Rs. 2.5 crores); the increase in the net contribution of Railways is in accordance with the recommendations of the Railway Convention Committee 1960 which have been accepted by Government (details are given later in the para on Railway Budget).

Reference may be made here to one significant accounting change in regard to the classification of expenditure introduced with effect from April 1, 1961. Hitherto, grants-in-aid to State Governments, with the exception of certain statutory grants, were being recorded subject-wise under the major heads of account to which the grants related and were taken as receipts under the relevant heads in the States' section. It has now been decided to record *all* grants from the Centre to States under a separate head 'Grants-in-aid to States' and to include the provision in a single composite demand. This arrangement, which gives in one place the total of all the grants from the Centre to the States, is intended to facilitate integrated control on the utilisation of these grants.

Of the total budgeted increase of Rs. 64 crores in revenue expenditure, civil expenditure accounts for a rise of Rs. 48 crores over the revised estimates for 1960-61 and defence expenditure for Rs. 16 crores. Under civil expenditure, social and development services (excluding grants to States which are now exhibited separately, and transfer of surcharge on steel) are estimated to cost Rs. 33 crores more than in 1960-61, the increase being chiefly attributable to implementation of schemes included

in the Third Plan. Debt services show a rise of Rs. 10 crores over 1960-61 (revised estimates).

The tax proposals for 1961-62 are estimated to bring in an additional yield of Rs. 63·2 crores (of which Rs. 2·3 crores will accrue to the States). All but Rs. 3 crores will come from indirect taxation, excise duties accounting for Rs. 30·9 crores and customs for Rs. 29·3 crores. Proposals under excise duties cover imposition of new levies as well as enhancement of the existing rates. The excise net has been spread over as many as 18 new items, including caustic soda, soda ash, glycerine, cotton and woollen yarn, glass and glassware, china and porcelain-ware, copper, zinc, wireless receiving sets etc. Further, the existing rates have been stepped up in respect of 14 items, the more important among them being cotton fabrics, rayon, paper and paper boards, kerosene, diesel oil, tobacco, cigarettes, tea and coffee. Under customs, it is proposed to raise the tariff on as many as 41 items which include machinery and component parts, iron and steel manufactures, newsprint, tobacco, betel-nuts, instruments and appliances etc. Details of changes in excise and customs duties are set out below :

Items	Rate of Duty	Additional Yield (In lakhs of Rs.)
Union Excise Duties		
A. New Levies		
1. Soda ash	Rs. 2 per quintal	18 80
2. Caustic soda	Rs. 4 „	27.60
3. Glycerine	Rs. 17 „	7.00
4. Coal tar dyes	15 per cent <i>ad valorem</i>	67.00
5. Patent or Proprietary medicines (Ayurvedic and Unani preparation will be exempted)	10 per cent „	20 00
6. Cosmetic and toilet preparations	25 per cent <i>ad valorem</i> (small units manufacturing not more than 150 Kgs. per month will be exempted from duty in respect of 50 Kgs. cleared in a month).	40 00
7. Plastics	20 per cent <i>ad valorem</i>	40.00
8. Cellophane	—do—	10 00
9. Cotton yarn	15 naye Paise per Kg. on yarn of 35 counts or more and 10 naye Paise per Kg. on yarn of less than 35 counts; exemption to cotton yarn of counts 11 to 40 issued in hanks	520.00
10. Woollen yarn	10 per cent <i>ad valorem</i> on worsted yarn and 5 per cent <i>ad valorem</i> on others; exemption to woollen yarn made from shoddy wool	35.00
11. Glass and glass-ware	5 per cent to 15 per cent <i>ad valorem</i> ; exemptions from the duty to (1) small units employing not more than 5 workers and (2) glass bangles and glass beads	95 00
12. China and porcelain-ware	5 per cent to 15 per cent; exemption for small units as in the case of glass and glass-ware	65 00
13. Copper and copper alloys	Rs. 300 per metric tonne on sheets and circles and 10 per cent <i>ad valorem</i> on pipes and tubes	72.20
14. Zinc	—do—	7.50

Items	Rate of Duty	Additional Yield (In lakhs of Rs.)
15. Aluminium	10 per cent <i>ad valorem</i> on pipes and tubes (aluminium sheets and circles were brought under excise in 1960-61) ..	Negligible
16. Wireless receiving sets	20 per cent <i>ad valorem</i> on sets costing more than Rs. 300. Sets costing between Rs. 150 and Rs. 300 will be exempted from one-half of the duty and those costing less than Rs. 150 will be completely exempted	35 00
17. Refrigerators and parts thereof	20 per cent <i>ad valorem</i>	28.00
18. Air conditioning machinery	— do—	20.00
TOTAL of A ..		1108.10

B. Enhancement of Existing Rates

Items	Rate of Increase	Additional Yield (In lakhs of Rs.)
1. Coffee	33 per cent to Rs. 55 per quintal	38.00
2. Tea	Increase from 4.5—27 nP. per Kg. to 10-35 nP per Kg. on loose tea; reduction from 46 nP. per Kg. to 40 nP. in duty on package tea	198.00
3. Tobacco		
(i) Unmanufactured	(a) Simplification of the tariff for flue cured tobacco used in cigarettes by replacing the existing tariff rates (ranging from Rs. 2.20 per Kg. to Rs. 16.50) by a single rate (Rs. 2.50 per Kg.) which is the weighted average of the existing rates (b) Increase in the rate of duty on air cured tobacco for cigarettes, from 15 naye Paise—Rs. 1.65 per Kg. to 22 naye Paise—Rs. 2.0 per Kg.	218.00
(ii) Manufactured	(a) Cigars and cheroots—rationalisation of tariff (b) Cigarettes—increase in the rates of costlier brands from Rs. 13.30—Rs. 30.10 per 1,000 at present to Rs. 15.30—Rs. 31.45	0.60 40.00
4. Kerosene	Increase in the rate on superior kerosene by 49 per cent to Rs. 95.55 per kilo litre	284 00
5. Diesel oil	Increase from 16 per cent <i>ad valorem</i> per metric tonne plus Rs. 63.95 to 16 per cent <i>ad valorem</i> plus Rs. 92.10 ..	133.00
6. Vegetable products	Increase of Rs. 2.80 per quintal to Rs. 20.00	80.00
7. Paints and varnishes	Increase of 25 per cent	30.00
8. Paper and paper board	Increases ranging from 36 per cent to 59 per cent; printing and writing paper will be exempted from the increase ..	237.00
9. Matches	Increase in ceiling rate from 57 nP. for every 1,000 sticks to 65 nP.; concessional rates for matches packed in boxes of 50 and liberalisation of concessions for small units using bamboo in making splints	3.00
10. Rayon and synthetic fibre and yarn	Increase of about 66 per cent. The present rates ranging from 45 naye paise per Kg. to Rs. 1.80 will be raised to 75 nP. to Rs. 3.00 per Kg.	169.00
11. Cotton fabrics	(i) Increase in the duty on medium 'A' grey fabrics by 25 per cent and the duty on processed fabrics by 66 per cent (ii) Exemption from duty will be admissible only to Units employing 2 looms instead of 4 looms, hitherto (iii) Reduction in the number of slabs and readjustment in the rate of compounded levy on power looms	477.00 20.00
12. Silk fabrics	An additional duty of 30 naye Paise per metre in lieu of sales tax	3.00

Items	Rate of Increase	Additional Yield (In lakhs of Rs.)
13. Rayon and artsilk fabrics	Reduction in concessions: exemption from duty will be admissible to Units employing 2 looms instead of 4 hitherto. Revision of the compounded rates of levy in respect of both basic and additional excise duties. . .	35.00
14. Wollen fabrics	Reduction in concessions: exemption will be admissible to units employing only 1 loom instead of 4 hitherto . .	16.00
	TOTAL of B . .	1981.60*
	GRAND TOTAL (A & B) . .	3089.70*

Customs Duties

The proposals in regard to Customs duties cover 41 items. Proposals which are expected to bring in additional revenue of Rs. 10 lakhs or over individually are detailed below:

Items	Rate of Increase	Additional Yield (In lakhs of Rs.)
1. Dried fruits	5 per cent to 50 per cent <i>ad valorem</i> (standard) and 40 per cent <i>ad valorem</i> (preferential)	17.00
2. Cardamoms, cinnamon, cloves, nutmegs and pepper	17-1/2 per cent to 100 per cent <i>ad valorem</i> (standard) and 92-1/2 per cent <i>ad valorem</i> (preferential).	11.00
3. Betelnuts	80 naye Paise per Kg. to Rs. 3 07 per Kg. (standard) and Rs. 3.00 per Kg. (preferential)	57.00
4. Brandy, gin, whisky and other spirits	Rs. 11 or 45 per cent <i>ad valorem</i> to Rs. 44 per litre or 170 per cent <i>ad valorem</i> whichever is higher	16.00
5. Unmanufactured tobacco	Rs. 7.95 per Kg. to Rs. 33.00 per Kg.	89.00
6. Sulphur	5 per cent <i>ad valorem</i> to 10 per cent <i>ad valorem</i>	13.00
7. Certain chemicals, drugs and medicines	15 per cent to 50 per cent <i>ad valorem</i>	18.00
8. Paints, colours and printers' materials	10 per cent to 50 per cent <i>ad valorem</i> (standard) and 40 per cent <i>ad valorem</i> (preferential)	10.00
9. Raw rubber	5 per cent to 10 per cent <i>ad valorem</i>	32.00
10. Paper	10 per cent to 50 per cent <i>ad valorem</i>	40.00
11. Some textile manufactures	50 per cent to 100 per cent <i>ad valorem</i>	68.00
12. High carbon steel strips of thickness .5 mm or below	25 per cent to 50 per cent <i>ad valorem</i> (standard) and 40 per cent <i>ad valorem</i> (preferential)	13.00
13. Iron and steel manufactures	15 per cent to 50 per cent <i>ad valorem</i>	105.00
14. Aluminium manufactures	—do—	30.00
15. Hardware	25 per cent to 75 per cent <i>ad valorem</i>	31.00
16. Machinery	5 per cent to 15 per cent <i>ad valorem</i>	300.00
17. Textile machinery and apparatus	5 per cent to 15 per cent <i>ad valorem</i>	21.00
18. Component parts of machinery	—do—	250.00
19. Electrical instruments, apparatus and appliances	10 per cent to 50 per cent <i>ad valorem</i> (standard) and 40 per cent <i>ad valorem</i> (preferential)	55.00

*Of which Rs. 2.30 crores will accrue to the States.

Items	Rate of Increase	Additional Yield (In lakhs of Rs.)
20. Railway material for permanent way and rolling stock	5 per cent to 25 per cent	46.00
21. Component parts of railway material	—do—	47.00
22. Motor cars including taxi-cabs	25 per cent to 100 per cent or Rs. 6,000 per car.. ..	13.00
23. Instruments, apparatus and appliances—other than electrical	10 per cent to 50 per cent (standard) and 40 per cent (preferential)	45.00
24. All other articles not otherwise specified	10 per cent to 50 per cent	243.00
25. Newsprint	By Rs. 4.40 per quintal to Rs. 7.50 on newsprint in reels, (unglazed or machine finished), by Rs. 5.40 per quintal to Rs. 9.00 on newsprint in reels (other sorts) and by Rs. 6.20 per quintal to Rs. 10.30 on newsprint other than in reels	38.00
26. Certain types of machinery and components thereof	The concessional rate of duty will be raised by 5 per cent to 10 per cent <i>ad valorem</i>	200.00
27. Tea	Reduction in duty by 9 naye Paise to 44 naye Paise per Kg.	— 200.00
28. Other changes	.. .. .	87.00
TOTAL CUSTOMS		1695.00

Countervailing Import Duties

(1) Kerosene	480.00
(2) Paper and paper board	16.00
(3) Rayon and synthetic fibres and yarn	401.00
(4) Soda ash	27.00
(5) Caustic soda	56.00
(6) Patent and proprietary medicines not containing alcohol	16.00
(7) Coal tar dyes	120.00
(8) Plastics and cellophane	37.00
(9) Certain copper and copper alloy manufactures	11.00
(10) Refrigerators, air conditioning machinery and parts thereof	28.00
(11) Other items	40.00
TOTAL YIELD FROM COUNTERVAILING DUTIES	1232.00
TOTAL YIELD FROM CUSTOMS AND COUNTERVAILING DUTIES	2927.00

Direct Taxation.—Changes in direct taxation are estimated to bring in Rs. 3 crores, of which Rs. 2 crores will be on account of personal income taxation. The only change in the rate structure of personal income-tax relates to the raising of the special surcharge on earned income over Rs. 1 lakh from 5 per cent of the basic tax to 10 per cent. As regards company taxation, some changes are proposed with a view to rationalising the tax structure and encouraging capital formation. These changes, yielding in the net Rs. 1 crore, are set out below:

(1) The main change in company taxation pertains to the super-tax on dividend on inter-corporate investments and is designed mainly to discourage the formation of subsidiary companies in India. At present, the dividend on inter-corporate investment is subject to varying rates of super-tax. In the case of dividend received by an Indian or foreign company from an Indian subsidiary company, the rate is 10 per cent. In the case of dividend received from an Indian company, other than a subsidiary, formed *on or after* April 1, 1959, the rates are (i) 15 per cent on dividend received by an Indian company in which the public are substantially interested and whose total income does not exceed Rs. 25,000, (ii) 20 per cent on dividend received by other Indian companies and (iii) 33 per cent on dividend received by a foreign company which does not declare dividends in India; in the case of dividend received from an Indian company (other than a subsidiary) formed *on or before* April 1, 1959, the rates for these three categories are 20 per cent, 25 per cent and 43 per cent, respectively. For the financial year 1961-62, while the super-tax rates will remain the same in respect of dividend received from any Indian company formed and registered before April 1, 1961, in respect of dividend received from an Indian company *whether a subsidiary or not, formed after April 1, 1961*, it is proposed to fix the rate on dividend received by all companies (Indian or foreign) uniformly at 20 per cent; the rate on dividend received by an Indian company in which the public are substantially interested and which has a total income not exceeding Rs. 25,000 will be 15 per cent. Thus, while dividends from subsidiary companies will henceforth attract higher super-tax (20 per cent) than hitherto (10 per cent), dividends from non-subsidiary companies will pay a lower tax, the reduction being substantial particularly in respect of dividend received by foreign companies.

(2) With a view to encouraging companies to widen the equity-base, the effective rate at which super-tax is payable on bonus issues has been reduced from 30 per cent to $12\frac{1}{2}$ per cent.

(3) The effective rate of super-tax on royalties received by a foreign company (which does not declare dividend in India) from an Indian concern, in pursuance of an agreement made with the Indian concern on or after April 1, 1961 and which has been approved by the Central Government has been reduced from 43 per cent to 30 per cent.

(4) The period of tax exemption for foreign technicians (whose contracts of service have been approved by the Central Government) hitherto varied between 24 and 36 months. It has now been proposed to make such exemption available for a uniform period of 36 months; further, if after the expiry of the period of 36 months, the technicians' services are retained in India and the employer pays tax on the technicians' salary, the amount paid as tax by the employer will not be treated as part of employee's income. This concession will be given for a period of 24 months after the expiry of the initial tax-free period of 36 months. Both these exemptions will apply automatically to technicians whose contracts have been approved under the existing regulation.

(5) In order to stimulate housing construction for the use of persons in low income group, it has been proposed to provide for a deduction of Rs. 600 per annum

from the annual value of new residential units completed after March 31, 1961, for a period of three years from the date of completion. Further, in the case of buildings constructed by an employer after March 31, 1961 solely for the purpose of residence by persons employed by him and receiving a remuneration of not exceeding Rs. 200 per month, it is proposed to allow an initial depreciation allowance of 20 per cent of the actual cost.

(6) Public financial institutions, approved by Government, which have been set up to promote industrial development by providing long-term finance have been allowed to claim, as a deduction from their taxable profits, appropriations to a special reserve account, of sums not exceeding 10 per cent of the total income each year until the amount carried to the reserve account equals the paid up capital.

(7) It has been proposed to reduce the development rebate from the existing level of 25 per cent to 20 per cent in the case of machinery or plant installed after March 31, 1961; the development rebate of 40 per cent in the case of a ship will, however, continue.

Other proposals in regard to company taxation are (1) extension of the benefit of five years' tax holiday under section 15 (c) of the Income Tax Act to newly started hotels which satisfy certain conditions, (2) exemption from tax of income of approved sports associations which satisfy certain specified conditions and (3) proposal to fix specified limits on entertainment expenses of companies, which would be admissible as business expenditure for purposes of tax; assesseees other than companies will not be allowed any deduction on account of entertainment expenses.

Subsequent Changes in the Tax Proposals.—The Finance Minister announced, on March 17, some concessions in excise duties and on April 19 certain adjustments in customs and excise duties as well as in direct taxation designed to remove genuine hardships. The net effect of all the concessions and adjustments will be a loss to revenue of Rs. 6.1 crores, thus reducing the yield from additional taxation from Rs. 63.2 crores to Rs. 57.1 crores. The concessions and adjustments are briefly set out below.

The effective incidence of the additional duty on superior kerosene has been reduced by 50 per cent, and the additional duty on inferior coffee (robusta and liberia varieties) altogether withdrawn. The surcharge of 25 per cent on cloth produced by automatic looms has also been withdrawn in respect of 70 per cent of the production, while the duty on the balance of output has been linked to exports thereby exempting cloth exported from the surcharge. Further, cloth produced on powerlooms by all units employing 3 or 4 looms has been exempted from the payment of the enhanced duty. The exempted loomage in regard to the duty on silk and art-silk fabrics and on woollen fabrics has also been raised from 2 looms and 1 loom, respectively, to 4 looms (as before the budget) and 2 looms. As regards the new duty on cotton yarn, a system of compounded levy has been introduced in respect of yarn woven into fabrics by composite mills, whereby the manufacturer would be enabled to pay the duty on yarn together with the existing duty on fabrics at the rate of 1.2 nP. per square metre; it has also been decided to exempt from the excise duty, yarn of one to ten counts. With regard to the duty on woollen yarn also, it is now proposed

to give compounding facilities and to make provision for alternative specific rates of duty for all woollen yarn, the average incidence of the specific rates being lower than the *ad valorem* rates; further it has been decided to grant full draw-back on duty on woollen yarn used in the manufacture of carpets. The duty on plastics and glass and glass-ware will be levied only at one stage, viz., powder, granule or flake in the case of plastics and sheets and tubes in the case of glass-ware; items made out of duty-paid plastic powder or glass sheet or glass tube will not be liable to duty: there will, however, be no changes in the countervailing import duties on these items. The duty on dyes will also be levied at only one stage. The Finance Minister also announced liberalisation of exemption in respect of duties payable by small manufacturers of glass and glass-wares, chinaware and cosmetic and toilet preparations. Full exemption from the payment of the duty has been given in respect of refrigerators and airconditioning machinery used for preservation of food, while partial exemption has been given in regard to duty on patent and proprietary medicines issued as free samples to laboratories, hospitals, etc. It is also proposed to reduce the duty on certain types of copper, brass and bronze sheets and circles to remove the hardships experienced by small utensil manufacturers.

While introducing the concessional rates of duty for matches packed in boxes of 50, with effect from March 1, 1961, the existing concessional rates in respect of matches packed in boxes of 40 and 60 were allowed to be continued for a period of three months i.e. upto June 1, 1961 in order to facilitate an easy switchover to the production of the new standard type of match boxes. Accordingly, the concessional rates in respect of matches packed in boxes of 40 and 60 were withdrawn, with effect from June 1, 1961, but in view of the special difficulties encountered in the marketing of matches manufactured in the cottage sector, the concession in respect of matches packed in boxes of 50 produced in the cottage sector using bamboo for splints was extended to matches packed in boxes of 40 produced in that sector upto February 28, 1962.

The concessions in regard to customs duties are as follows: The duties on newsprint imported in reels, which had been raised from Rs. 3·10 per quintal to Rs. 7·50 (on unglazed or machine finished varieties) and from Rs. 3·60 per quintal to Rs. 9·0 (all other sorts), have been lowered to Rs. 5 and Rs. 5·50 per quintal, respectively. The duty on newsprint in sheets, which was proposed to be enhanced from Rs. 4·10 per quintal to Rs. 10·30, has been restored to the pre-budget level. Nylon twines used in the manufacture of fishing nets have been exempted from the enhanced duty on textile manufactures. Lastly, some reduction has also been made in the countervailing duty on rayon yarn.

As regards direct taxation, the main modification relates to a further simplification in the tax structure applicable to foreign companies. Thus, the tax on dividends received by a foreign company from a non-subsidiary Indian company formed after March 31, 1959 and before April 1, 1961 has been reduced from 53 per cent to 40 per cent (inclusive of income-tax of 20 per cent) i.e. the same rate as is applicable to dividends from Indian companies (both subsidiary and non-subsidiary) formed after April 1, 1961; the proposed rate is also the same as that applicable to dividends

received by most Indian companies. The scope of the initial depreciation allowance allowed for houses constructed by employers for low-paid employees has been extended to cover buildings which are constructed to meet the welfare requirements of employees. It was also proposed to withdraw that provision in the Finance Bill which completely disallows entertainment expenses of non-company assesseees as expenses for purpose of computing the taxable income.

Capital Account.—A feature of the capital budget in recent years has been the progressive narrowing of the deficit, reflecting a faster rate of increase in capital receipts as compared to disbursements. The magnitude of the deficit, which was as high as Rs. 545 crores in 1957-58, came down to Rs. 223 crores in 1958-59 and further to Rs. 200 crores in 1959-60, and in 1960-61, the revised estimates envisage a nominal deficit of only Rs. 26 lakhs as against the budgeted deficit of Rs. 93 crores. The substantial improvement in the capital budget in the revised estimates for 1960-61, as compared to the budget, resulted mainly from the change in the arrangement for the placement of P. L. 480 Funds, mentioned earlier.

For 1961-62 (B.E.), the capital deficit has been estimated at Rs. 64 crores. Capital receipts (excluding *ad hoc* Treasury bills) are estimated at Rs. 1,180 crores or Rs. 71 crores higher than in 1960-61 (R.E.). Total disbursements are estimated to go up by Rs. 135 crores to Rs. 1,244 crores. Under receipts, credit has been taken for an amount of Rs. 96 crores (as compared to Rs. 240 crores in the revised estimates for 1960-61) on account of investments in special securities of U. S. Government's counterpart funds. External loans are placed higher by Rs. 105 crores at Rs. 386 crores, comprising Rs. 182 crores from the U.S.A., Rs. 32 crores from the U.S.S.R., Rs. 18 crores from I.B.R.D., Rs. 14 crores from Japan, Rs. 8 crores from West Germany, Rs. 4 crores each from Poland and Yugoslavia, Rs. 3 crores from Switzerland, Rs. 1 crore from Czechoslovakia, Rs. 27 lakhs from the U.K. and Rs. 120 crores yet to be negotiated from various foreign sources. Total external assistance in the form of loans and grants, is estimated at Rs. 422 crores as against Rs. 312 crores in 1960-61 (R.E.). Net receipts from market loans, excluding Prize Bonds, are expected to bring in Rs. 88 crores, as against Rs. 72 crores in 1960-61 (R.E.); receipts on account of Prize Bonds are estimated at Rs. 10 crores as compared to Rs. 12.5 crores in 1960-61. Net receipts from small savings are expected to increase in 1961-62 by Rs. 5 crores to Rs. 105 crores.

Excluding the adjustment in respect of transfer of capital assistance from the U.S. to the Special Development Fund, the budget for 1961-62 provides for a total capital outlay of Rs. 454 crores, which is higher than in 1960-61 (R.E.) by Rs. 38 crores; the increase is mainly accounted for by Railways, civil works and industrial development. Capital outlay on Railways is expected to go up by Rs. 36 crores to Rs. 160 crores and that on civil works by Rs. 11 crores to Rs. 52 crores. Industrial development will show a rise of Rs. 8 crores to Rs. 107 crores, the increase representing largely additional investments in industrial undertakings in the public sector. As against these increases, expenditure on state trading schemes shows a fall of Rs. 30 crores, due mainly to a decline of Rs. 28 crores in the *net* expenditure on foodgrains purchases. Loans (gross) to State Governments are expected to show a rise of Rs. 53 crores at Rs. 409 crores.

State Governments

Revenue Account

General.—The consolidated budgetary position of States † on revenue account since the reorganisation of States is shown in the table below:—

	(Crores of Rs.)				
	1957-58	1958-59	1959-60	1960-61 (R.E.)	1961-62 (B.E.)
Revenue ^(a)	711 7	812 6	907 0	1010 8	1019 4†
Expenditure ^(a)	683 9	765 1	869 8	996 9	1057 4
Surplus (+) or Deficit (—)	27 8	47 5	37 2	13 9	— 38 0

^(a)Excluding transfers from/to Reserve Funds

†On the basis of existing taxation.

1959-60 (Accounts).—The accounts for 1959-60 place revenue receipts at Rs. 907 crores or Rs. 23 crores higher than in the revised estimates, expenditure was higher by only Rs. 6 crores at Rs. 870 crores. As a result, the surplus increased from Rs. 21 crores in the revised estimates to Rs. 37 crores. The increase in revenue was entirely under tax revenue, which showed a rise of Rs. 24 crores to Rs. 577 crores; more than one-half of the increase was on account of sales tax. On the expenditure side, non-development expenditure* recorded an increase (mainly under debt services) of Rs. 12 crores to Rs. 378 crores, while expenditure on social and development services* showed a decline of Rs. 6 crores to Rs. 492 crores.

1960-61 (Revised Estimates). As compared to the budget estimates for 1960-61, the revised estimates showed an increase of Rs. 68 crores in revenue (at Rs. 1011 crores) and of Rs. 57 crores in expenditure (at Rs. 997 crores). Consequently, the surplus increased from Rs. 3 crores in the budget to Rs. 14 crores in the revised estimates. Of the increase of Rs. 68 crores in revenue, tax revenue (at Rs. 606 crores) accounted for Rs. 51 crores and non-tax revenue (at Rs. 405 crores) for about Rs. 17 crores. The increase in the tax revenue was mainly on account of taxes on income (Rs. 30 crores) and general sales tax (Rs. 15 crores). Of the rise of Rs. 57 crores in revenue expenditure, non-development expenditure accounted for a rise of Rs. 31 crores and expenditure on social and development services for Rs. 26 crores.

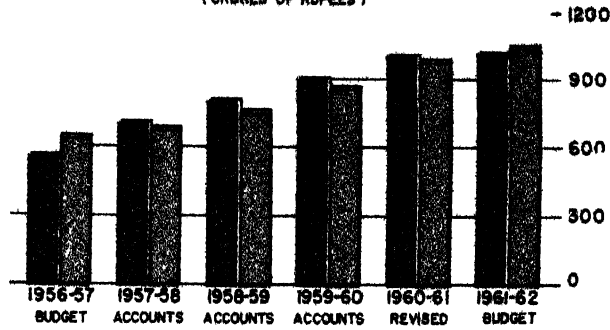
1961-62 (Budget Estimates).—The budget estimates for 1961-62, on the basis of existing taxation, place revenue and expenditure at Rs. 1019 crores and Rs. 1057 crores, respectively, leaving a deficit of Rs. 38 crores in contrast to a surplus of Rs. 14 crores in the revised estimates for 1960-61; as compared to 1960-61 (revised estimates), revenue is higher by Rs. 9 crores and expenditure by as much

†Including Jammu and Kashmir.

*Classified on the basis of broad budget heads.

BUDGETARY POSITION OF STATE GOVERNMENTS

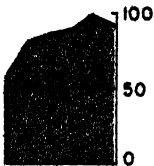
REVENUE ACCOUNT
(CRORES OF RUPEES)



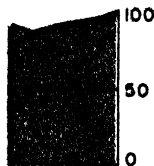
REVENUE

EXPENDITURE

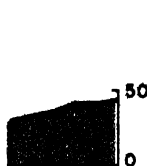
TAXES ON INCOME



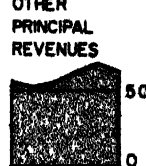
LAND REVENUE



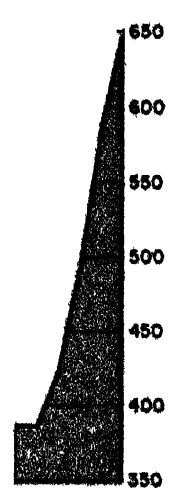
STAMPS AND REGISTRATION



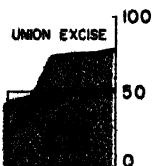
COLLECTION OF TAXES, DUTIES AND OTHER PRINCIPAL REVENUES



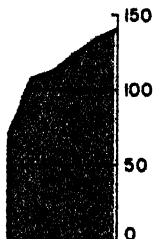
DEVELOPMENT EXPENDITURE



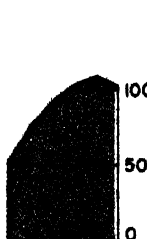
EXCISE DUTIES



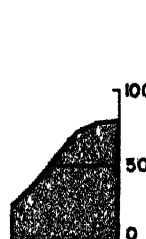
GENERAL SALES TAX



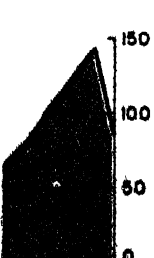
OTHER TAX REVENUE



DEBT SERVICES



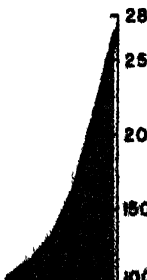
ADMINISTRATIVE RECEIPTS



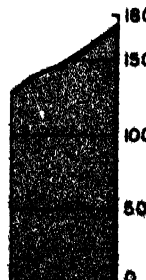
NET CONTRIBUTION OF PUBLIC ENTERPRISES



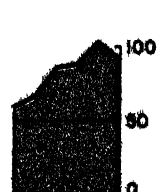
OTHER NON TAX REVENUE



CIVIL ADMINISTRATION



OTHER NON DEVELOPMENT



1956-57 — 1961-62

1956-57 — 1961-62

1956-57 — 1961-62

1956-57 — 1961-62

1956-57 — 1961-62

as Rs. 61 crores. Taking into account the effect of tax proposals by States, the deficit would be reduced to Rs. 21 crores. Of the estimated increase of Rs. 9 crores in total revenue in 1961-62, tax revenue (at Rs. 610 crores) accounts for a rise of Rs. 4 crores and non-tax revenue for Rs. 5 crores (at Rs. 410 crores). The rise in tax revenue is the net result of an increase of Rs. 7 crores in taxes on property and capital transactions and of Rs. 4 crores in taxes on commodities and services, and a decline of Rs. 7 crores in taxes on income. Increases in taxes on commodities and services are mainly under sales tax (Rs. 5 crores), excise (Rs. 5 crores) and other taxes and duties (Rs. 5 crores). As against these increases, there is a fall of Rs. 14 crores under tax on railway passenger fares, as a sequel to one of the recommendations of the Railway Convention Committee, 1960 that this tax, the proceeds of which hitherto accrued entirely to the States, should be merged with the basic passenger fares with effect from April 1, 1961, and that in lieu of this tax, the Railways should pay a fixed contribution to the Centre for distribution to States. The decline of Rs. 7 crores in taxes on income is largely due to a fall in the States' share of income-tax resulting from a reduction in the divisible pool. Under non-tax revenue, administrative receipts show a sharp decline of Rs. 60 crores, and grants-in-aid and other contributions a sharp increase of a like amount; the variations in these two items reflect mainly the change in the accounting procedure in regard to the classification of grants from the Centre to the States introduced in the Central and State Budgets with effect from 1961-62, which has been referred to earlier.

On the basis of existing taxation, excepting Bihar and Jammu and Kashmir which show surpluses of Rs. 5 crores and Rs. 3 crores, respectively, all the remaining 13 States have budgeted for deficits ranging from Rs. 6 lakhs in the case of Maharashtra to Rs. 9 crores in the case of Uttar Pradesh. Ten States, namely, Assam, Gujarat, Kerala, Madhya Pradesh, Maharashtra, Mysore, Orissa, the Punjab, Rajasthan and Uttar Pradesh, have proposed additional tax measures estimated to yield Rs. 17 crores. Two of these States, namely, Gujarat and Kerala and also Madras have proposed tax concessions. The concessions are estimated to cost Rs. 15 lakhs in the case of Kerala; the cost in the case of Gujarat and Madras is not available. The tax proposals are as under:

Tax Proposals

Additional Taxation	<i>Estimated yield (Rs. lakhs)</i>
Assam	
Increase in the tax on petrol from 7 nP. to 8 nP. per litre and on diesel oil from 5 nP. to 7 nP. per litre	14.5
Total ..	<u>14.5</u>
Gujarat	
(1) Levy of a surcharge of 10 per cent on the present rates of stamp duty ..	6
(2) Increase in tax on passengers carried by road transport from 10 per cent to 15 per cent	35

	<i>Estimated yield (Rs. lakhs)</i>
(3) (i) Increase in the rate of sales tax on motor spirit from 9 nP. per litre to 10 nP. per litre	8
(ii) Introduction of sales tax on kerosene at 3 nP. per rupee	7
(iii) Increase in the sales tax on ground-nuts from 1½ nP. per rupee to 2 nP. per rupee	4
(4) Enhancement in the rates of entertainment duty	10
(5) Increase in the rates of electricity duty	10
Total ..	80

Kerala

(1) Levy of an additional land tax at Rs. 2 per acre; total land tax including the new tax will not exceed 1/5th of the gross produce from the land. Exemption in respect of (1) land subject to Plantation Tax and (2) small land holders ..	80
(2) Tax on a slab scale on all buildings, completed after April 1, 1961, with total floor space of over 1,000 sq. ft.; the tax will be levied only once. (Factory buildings, public buildings and buildings for religious, educational and charitable institutions will be exempted)	20
(3) Increase in the State Transport fares from 3 44 nP. per mile to 4 nP. per mile, thus bringing the rate in line with that charged by the private operators ..	40
(4) Increase in the sales tax on foreign liquor from 25 to 40 per cent	3
(5) Levy of a single point sales tax on foodgrains at the rate of 1 per cent (sales of rice from fair price shops exempted)	55
(6) Additional yield from general sales tax owing to prevention of evasion consequent on the levy of sales tax on foodgrains	15
Total ..	2,13

Madhya Pradesh

(1) A surcharge on goods freight carried by road transport	1,50
(2) Increase in entertainment tax	5
(3) Assessment on non-agricultural land	25
(4) Changes in betterment levy	30
(5) Nationalization of Road Transport	20
(6) Irrigation rates	20
(7) Extension of Mahakoshal Grazing Rules to other places	10
(8) Increase in the royalty from major and minor mines	20
(9) Motor Vehicles Taxation	20
Total ..	3,00

Mysore

(1) A surcharge on land revenue	1,30
(2) Increase in the electricity duty on certain classes of consumers	40
Total ..	1,70

*Estimated
yield
(Rs. lakhs)*

Maharashtra

(1) Increase in the rate of tax on passengers carried by road transport from 10 to 15 per cent	60
(2) Levy of a sales tax at 3 per cent on kerosene	30
(3) Withdrawal of special concession granted to textile industry in respect of sales tax	
(4) Increase in sales tax on ground-nuts from 1½ to 2 per cent so as to bring it in line with the rate on other oilseeds (except cotton seeds)	10
(5) Changes in the sales tax on dyes and chemicals	
Total ..	1,00

Orissa*

(1) A new tax on passenger fares and freight on transport of goods by public carriers	26
(2) Increase in the rate of sales tax on motor spirit and diesel oil	43
Total ..	69

Punjab

(1) Enhancement of the rate of general sales tax from 4 to 5 per cent	1,20
(2) Enhancement of the entertainment duty by 6 per cent	11
Total ..	1,31

Rajasthan

(1) Increase in the rates of tax on passengers and goods carried by motor vehicles from 12½ and 8-1/3 per cent, to 15 per cent and 10 per cent, respectively	16
(2) Increase in the tax on private motor cars by Rs. 2.50 per seat per annum	1
(3) Increase of 5 per cent in the rate of entertainment tax	5
(4) Increase of 30 per cent in non-judicial stamp duties	12
(5) Increase in the rate of sales tax on diesel oil and hydrogenated oil from 7 to 10 per cent and on some other goods from 4 per cent to 5 per cent, with certain exemptions; withdrawal of exemptions from sales tax in respect of some goods including cereals and pulses	71
(6) Some changes in the rate of State excise duties and court fees	30
Total ..	1,35

Uttar Pradesh

(1) Changes in vend fees and rate of duty on country spirit and rum	1,00
(2) Adjustments in the sales tax rates, and tightening of the collection system	1,50
(3) Withdrawal of rebate in irrigation rates	2,00
(4) Proposal to bring diesel oil within the purview of the Motor Spirit Taxation Act	50
(5) Adjustment in the remission to be granted to manufacturers of sugar in respect of purchase tax on sugar cane, the effect of which would be to raise income from purchase tax on sugar-cane	21
Total ..	5,21

Grand Total Rs. 17,33

* Orissa has also taken credit in its budget for additional revenue of (1) Rs. 41 lakhs on account of consolidation of cess on land, and (2) Rs. 45 lakhs on account of irrigation rates under the Orissa Irrigation Act. It may, however, be noted that these two proposals are not strictly speaking new ones, since they had been originally made in the budget for 1958-59 and were repeated in the budgets for 1959-60 and 1960-61. The proposal to levy the cess on land could not be given effect to pending the enactment of necessary legislation in this behalf. As regards irrigation rates, the Orissa Irrigation Act was passed last year and a credit of Rs. 15 lakhs was taken in the budget; the collections, however, did not materialise.

*Estimated
loss
(Rs. lakhs)*

Tax Concessions

Kerala

- | | |
|---|---|
| (1) Facility for compounding sales tax by small dealers; those with total turnover between Rs. 10,000 and Rs. 15,000 per annum will be charged Rs. 150 per annum and those with total turnover between Rs. 15,000 and Rs. 25,000 will be charged Rs. 300 per annum | 9 |
| (2) Reduction in (1) the highest rate of super-tax on <i>agricultural income</i> of companies from 37 nP. in the rupee to 31 nP. and (2) the highest rate of super-tax payable by individuals, Hindu Undivided families, etc. on agricultural income from 41 nP. in the rupee to 34 nP. | 6 |

Gujarat

Exemption from payment of electricity duties for new industries for a period of five years and a further exemption of five years, if power is generated by the industry itself. Water charges will not be levied except where water is supplied by Government N.A.

Madras

Extension of the facility for compounding sales tax, now available for small dealers with annual turnover of Rs. 25,000, to dealers with annual turnover of Rs. 50,000.. N.A.

Total expenditure on revenue account in 1961-62 shows a rise of Rs. 61 crores to Rs. 1057 crores. Expenditure on social and development services goes up by as much as Rs. 65 crores from Rs. 583 crores to Rs. 648 crores. The sharp increase in development expenditure reflects the stepping up of the provision for Plan outlay on revenue account as well as the decision of some State Governments to enhance the pay scales of Government employees and to extend facilities for free education. Non-development expenditure, at Rs. 410 crores, shows a decline of Rs. 4 crores as compared to the revised estimates.

Capital Account

1959-60 (Accounts).—The revised estimates for 1959-60 had placed the deficit on capital account at Rs. 68 crores. The actuals for the year, however, disclosed a much smaller deficit of Rs. 25 crores. The decline in the deficit was the result of a fall of Rs. 42 crores to Rs. 507 crores in disbursements and a small rise of Rs. 1 crore to Rs. 482 crores in receipts. A fall of Rs. 24 crores in capital outlay mainly contributed to the decline in disbursements.

1960-61 (Revised Estimates).—For 1960-61, the budget estimates had placed receipts and disbursements at Rs. 527 crores and Rs. 583 crores, respectively, leaving a deficit of Rs. 56 crores. In the revised estimates, disbursements showed a sharp increase of Rs. 64 crores to Rs. 647 crores, while receipts showed a rise of only Rs. 19 crores to Rs. 546 crores. Consequently, the deficit widened from Rs. 56 crores to Rs. 101 crores. Higher receipts under market loans and larger loan assistance from the Centre contributed mainly to the increase in receipts. The rise in disbursements was accounted for by increases under (1) loans and advances by the State Governments (Rs. 31 crores), (2) repayment of loans to the Centre (Rs. 27 crores) and (3) capital outlay (Rs. 11 crores).

1961-62 (Budget Estimates).—The budget estimates for 1961-62 place capital receipts higher than in 1960-61 (revised estimates) by Rs. 68 crores at Rs. 613 crores, and disbursements lower by Rs. 3 crores at Rs. 643 crores, with the result that the estimated deficit for 1961-62 is only Rs. 30 crores as compared to Rs. 101 crores in 1960-61 (R.E.). The increase in capital receipts is mainly under loans from the Centre (Rs. 34 crores) and deposits and advances (Rs. 27 crores). On the disbursements side, total capital outlay is estimated to rise by Rs. 18 crores to Rs. 352 crores, while loans and advances by State Governments are estimated to decline by Rs. 13 crores to Rs. 170 crores and repayment of loans to the Centre by Rs. 11 crores to Rs. 98 crores. Discharge of permanent debt is placed higher by Rs. 2 crores at Rs. 21 crores.

Railway Budget.—A feature of Railway finances during 1960-61 (Revised) was the relatively larger rise under expenditure than under receipts, which mainly accounted for a decline in the net surplus available to the Railways in contrast to a sharp rise in 1959-60. In 1961-62 (Budget), although receipts show an appreciably larger rise than expenditure, the net surplus is expected to show a further decline, owing to a sharp rise in the contribution to General Revenues, the rise being mainly on account of the payment of Rs. 12·5 crores in lieu of tax on Railway passenger fares and partly on account of the higher rate of dividend payable from 1961-62 onwards in accordance with the recommendations of the Railway Convention Committee, 1960. It may be noted that this Committee* which was appointed in April 1960, recommended in its Report to Parliament submitted in November 1960, (1) an increase in the rate of dividend payable by the Railways to the General Revenues from 4 per cent on the capital-at-charge to 4·25 per cent, (2) an increase in the annual appropriation to the Depreciation Reserve Fund from Railway revenues from Rs. 45 crores to an annual average of Rs. 70 crores per year in the quinquennium 1961-66 and (3) merging of the tax on passenger fares (the entire proceeds of which were made available to the States) with the basic fare from April 1, 1961, and payment to the General Revenues (for distribution to the States) of a fixed amount of Rs. 12·5 crores@ every year in lieu of the tax on passenger fares. The Committee also recommended that the facility of temporary loans from General Revenues to the Railway Development Fund to meet shortfall in the resources to meet expenditure chargeable to the Fund should be continued during the quinquennium 1961-66 and that the outstanding liability of this Fund to the General Revenues as at the end of March 1961 should be liquidated, partly by debiting to capital the cost of all new lines under construction as on April 1, 1955, hitherto charged to Development Fund, and the balance by appropriation from the Revenue Reserve Fund.

Gross traffic receipts which amounted to Rs. 422 crores in 1959-60 would rise to Rs. 458 crores in 1960-61 (R.E.) and are expected to go up still further by Rs. 41

* This was the third Convention Committee since Independence. The First Convention Committee was appointed in 1949 and the recommendations of this Committee covered the quinquennium 1950-51 to 1954-55. The Second Committee was appointed in 1954. Although the recommendations of this Committee originally covered the quinquennium 1955-56 to 1959-60, the period of this Convention was extended by one year in order that the recommendations of the future Conventions would synchronise with the Plan periods.

@ This amount is based on the average annual collections of the tax in the two full years 1958-59 and 1959-60.

crores to Rs. 499 crores in 1961-62 (B.E.). A part of the increase in gross traffic receipts in 1961-62 is due to the merger of the passenger tax with the passenger fares, referred to above. The budget for 1961-62 contained no fresh proposals for increase either in passenger fares or freight charges, barring certain marginal adjustments in freight rates such as (1) a doubling of the special sur-charge on small consignments from 10 per cent to 20 per cent and (2) the raising of the minimum distance charged for coal from 42 kilometers to 70 kilometers with an increase in the minimum freight rate from Rs. 4.25—4.98 to Rs. 5 per ton. Total working expenses rose from Rs. 348 crores in 1959-60 to Rs. 387 crores in 1960-61 (R.E.) and they are expected to go up further to Rs. 413 crores in 1961-62 (B.E.). Dividend to General Revenues would rise from Rs. 54 crores in 1959-60 to Rs. 57 crores in 1960-61 and further sharply, to Rs. 65 crores in 1961-62. The surplus available to Railways would decline from Rs. 20 crores in 1959-60 to Rs. 14 crores in 1960-61 and further to Rs. 9 crores in 1961-62 (after payment of Rs. 12.5 crores to General Revenues in lieu of the tax on passenger fares). The capital expenditure of Railways for 1960-61 was substantially higher at Rs. 237 crores as compared to Rs. 180 crores in 1959-60. Total capital expenditure during the Second Plan period amounted to Rs. 1,093 crores as against the target of Rs. 1,122 crores. The tentative allocation for the Railways' Third Five-Year Plan is Rs. 1,255 crores, of which the budgeted outlay in 1961-62 is Rs. 260 crores. Reflecting the growing expenditure of the Railways on the Plan, the balances in the Railway Funds have shown a continuous decline. The total of outstanding balances in the Revenue Reserve Fund, Depreciation Reserve Fund and Development Fund, which had declined from Rs. 164 crores at the end of 1955-56 to Rs. 98 crores at the end of 1959-60, fell further to Rs. 68 crores at the end of 1960-61 (R.E.); they are estimated to decline further to Rs. 62 crores by the end of 1961-62. To finance expenditure of a capital nature allocable to the Development Fund, temporary loans were taken from the General Revenues in each year beginning from 1958-59, the total of such loans during the three years 1958-59 to 1960-61 aggregating Rs. 29.4 crores. This liability would, however, be liquidated, in the manner recommended by the Railway Convention Committee, referred to above, i.e. part of it by writing back to capital the cost of unremunerative new lines under construction as on April 1, 1955 (Rs. 20.8 crores) and the balance (Rs. 8.6 crores) by appropriation from the Revenue Reserve Fund. As the Railway surplus anticipated in 1961-62 would not be sufficient to meet expenditure chargeable to the Development Fund, provision has been made in the budget for a fresh loan of Rs. 15 crores.

B. PUBLIC DEBT

Union Government

General.—The interest-bearing obligations of the Government of India rose by Rs. 713 crores from Rs. 5,568 crores* at the end of 1959-60 to Rs. 6,281 crores at the end of 1960-61; these are expected to rise further by Rs. 829 crores to Rs. 7,110

* The figures given here are based on revised estimates for 1959-60 and 1960-61. Actuals in respect of certain items are given later.

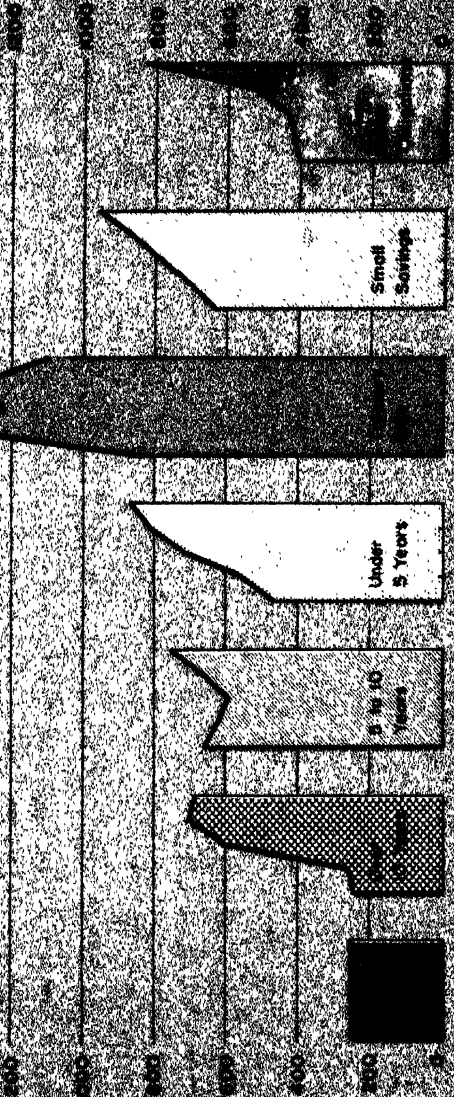
GRAPH 14

EXTERNAL DEBT



DEBT POSITION (PRELIMINARY) OF THE GOVERNMENT OF INDIA (IN CRORES OF RUPEES)

RUPEE DEBT



Legend for External Debt:

- Other External Debt
- Trade Loans
- Other External Debt

Legend for Rupee Debt:

- Under 5 Years
- 5 to 10 Years
- 10 to 15 Years
- Small Savings



crores at the end of 1961-62. Internal obligations aggregated Rs. 4,958 crores at the end of 1959-60 and Rs. 5,455 crores at the end of 1960-61, showing a rise of Rs. 497 crores over the year; they are estimated to rise further by Rs. 470 crores to Rs. 5,925 crores at the end of March 1962. External obligations stood at Rs. 826 crores at the end of 1960-61, showing a rise of Rs. 216 crores over 1959-60 and of Rs. 685 crores over 1955-56. Of the external obligations at the end of 1960-61, all but Rs. 15 crores represented loans comprising dollar loans (Rs. 522 crores), loans from West Germany (Rs. 108 crores), loans from U.K. (Rs. 107 crores), loans from U.S.S.R. (Rs. 62 crores) and loans from other sources (Rs. 12 crores).

The Union Government floated in July 1960 two cash-cum-conversion loans for a total amount of Rs. 175 crores namely the $3\frac{1}{2}$ per cent Bonds, 1966 with the issue price at Rs. 99.75 per cent (yielding to redemption 3.55 per cent) and the 4 per cent Loan, 1980 with the issue price at Rs. 99.90 per cent (yielding to redemption 4.01 per cent). The maturing issues offered for conversion into these new loans were the $2\frac{1}{4}$ per cent Loan, 1960, 4 per cent Loan, 1960-70 and the $2\frac{1}{4}$ per cent Hyderabad Loan, 1955-60 which were accepted, respectively, at Rs. 100 per Rs. 100 (nominal), Rs. 100.30 per Rs. 100 (nominal) and Rs. 84.75 per Rs. 85.71 or O.S. Rs. 100 (nominal). Total subscriptions (including conversions) to the new issues amounted to Rs. 180.7 crores of which Rs. 82.7 crores were for the $3\frac{1}{2}$ per cent Bonds, 1966 and Rs. 98.0 crores for the 4 per cent Loan, 1980. Cash subscriptions amounted to Rs. 106.1 crores—Rs. 63.1 crores for the $3\frac{1}{2}$ per cent Bonds, 1966 and Rs. 43 crores for the 4 per cent Loan, 1980 and conversions of maturing loans amounted to Rs. 74.6 crores. Taking into account an amount of Rs. 38.8 crores on account of cash repayments in respect of the maturing loans ($2\frac{1}{4}$ per cent Loan, 1960 Rs. 14.3 crores, 4 per cent Loan, 1960-70, Rs. 20.8 crores and $2\frac{1}{4}$ per cent Hyderabad Loan, 1955-60 Rs. 3.7 crores), the net market borrowings of the Union Government during the year 1960-61 would work out to Rs. 67.3 crores as compared to Rs. 106.7 crores in 1959-60.

In January 1961, Treasury bills held by the Reserve Bank in the Issue Department of the value of Rs. 50 crores were funded into further issues of (1) $3\frac{1}{2}$ per cent National Plan Bonds—third series—1967 (Rs. 10 crores), (2) $3\frac{3}{4}$ per cent National Plan Bonds—fifth series—1968 (Rs. 30 crores) and $3\frac{1}{2}$ per cent Bonds 1969 (Rs. 10 crores). Including Rs. 300 crores of Treasury bills funded in July 1958 and Rs. 150 crores in December 1959, the total amount of Treasury bills funded so far aggregated Rs. 500 crores.

The budget for 1961-62 provides for a gross market borrowing of Rs. 225 crores (excluding receipts from Prize Bonds estimated at Rs. 10 crores). The net market borrowing, after taking into account repayments of Rs. 137 crores, would amount to Rs. 88 crores. On May 15, 1961, the Union Government issued a further tranche of the $3\frac{1}{2}$ per cent National Plan Bonds (Third series), 1967 at an issue price of Rs. 98.90 (yielding to redemption 3.69 per cent) for conversion against three maturing loans, namely, the $3\frac{1}{2}$ per cent National Plan Bonds (First series), 1961, the $2\frac{1}{4}$ per cent Loan, 1961 and the 3 per cent Hyderabad Loan, 1951-61 with a total outstanding amount of Rs. 138.91 crores. These maturing loans were to be accepted, respectively, at Rs. 100 per Rs. 100 (nominal), Rs. 99.75 per Rs. 100 (nominal) and Rs. 85.00 per Rs. 85.71 or O.S. Rs. 100 (nominal). Subscription lists were kept open

from May 29 to June 3 as per terms of the notification. The total amount subscribed by tender of the maturing loans aggregated Rs. 93.6 crores, approximately. The Government also floated on July 24, 1961 two cash-cum-conversion loans for a total amount of Rs. 100 crores, viz. (i) a further tranche of the 3½ per cent Bonds 1969 at an issue price of Rs. 98.40 per cent and (ii) 4 per cent Loan, 1981 at an issue price of Rs. 98.50 per cent. The maturing 2½ per cent Loan, 1961 and 3 per cent Hyderabad Loan, 1951-61 were accepted at par for conversion into the new loans. Total subscriptions amounted to Rs. 108.6 crores, of which Rs. 104.9 crores were in cash.

Interest-yielding assets of the Union Government amounted to Rs. 5,090 crores at the end of March 1961, representing an increase of Rs. 555 crores over the year, and constituted four-fifths of the total interest-bearing obligations. The increase of Rs. 555 crores in interest-yielding assets was made up of increases of Rs. 415 crores in loans to States, Rs. 114 crores in capital advanced to Railways and Rs. 13 crores each in capital advanced to other commercial departments and investments in commercial concerns.

Composition of Debt.— At the end of March 1961, the total rupee debt comprising total interest-bearing obligations *minus* deposits and external debt *plus* balances of special floating and expired loans amounted to Rs. 5,463 crores, showing a rise of Rs. 334 crores over the figure of Rs. 5,129 crores at the end of March 1960; it may be noted that the outstanding rupee debt at the end of March 1961 includes an estimated amount of Rs. 240 crores, representing investment of U.S. Government P.L. 480 counterpart funds in special securities under the revised procedure for the placement of these funds referred to earlier. Of the total debt of Rs. 5,463 crores, debt in the form of rupee loans accounted for Rs. 2,571 crores (47 per cent), Treasury bills for Rs. 1,106 crores (20 per cent) and small savings for Rs. 959 crores (18 per cent). The maturity pattern of rupee loans* in 1960-61 as compared to 1959-60 shows some minor variations. While the proportions of loans maturing between 5 and 10 years and under 5 years went up from 27.2 per cent and 33.2 per cent, respectively, to 29.4 per cent and 33.7 per cent, the proportion of loans maturing over 10 years declined from 29.0 per cent to 26.9 per cent. As the total of rupee loans has increased while the outstanding amount of undated securities continued unchanged, the proportion of undated securities to the total declined further from 10.6 per cent at the end of 1959-60 to 10.0 per cent at the end of 1960-61.

During the year 1960-61, the outstanding treasury bills fell by Rs. 191 crores to Rs. 1106 crores** as against an increase of Rs. 72 crores in 1959-60. If the funding of Rs. 50 crores of Treasury bills in January 1961 is excluded, there would be a fall of Rs. 141 crores as compared to a rise of Rs. 204 crores in 1959-60 (after excluding the funding of Rs. 150 crores of Treasury bills in December 1959 and the creation of Rs. 18 crores of Treasury bills in October 1959 for purchase of gold for payment of India's additional subscription to the I.M.F.). The decline in the outstanding of

* Classified on the basis of earlier date of maturity.

** Actual decline based on Reserve Bank data.

Treasury bills was accounted for by the Reserve Bank and State Governments and other approved bodies, the outstanding amount with the public showing a rise. Treasury bills held by the Reserve Bank at Rs. 886 crores at the end of March 1961 recorded a decline of Rs. 134 crores; excluding the special transaction of Rs. 50 crores mentioned above, the Reserve Bank's holdings would show a fall of Rs. 84 crores in contrast to a rise of Rs. 131 crores in 1959-60. The decline in the Reserve Bank's holdings of Treasury bills during 1960-61 was facilitated by the coming into force since May 12, 1960, of the new arrangements for holding of P.L. 480 counterpart funds. The investment of State Governments and other approved bodies also declined by Rs. 60 crores to Rs. 191 crores, in contrast to an increase of Rs. 73 crores each in the preceding two years. Total net sales of Treasury bills (including intermediates) to the public during 1960-61 were higher at Rs. 3 crores as compared to only Rs. 70 lakhs in 1959-60.

Small Savings.—According to provisional data, net receipts from small savings in 1960-61 amounted to Rs. 107 crores†, showing a substantial increase of Rs. 24 crores over the net receipts in 1959-60 (Rs. 83 crores). Net receipts during the year under review also exceeded, for the first time, the annual (average) target of Rs. 100 crores fixed for the Second Plan period. The rise of Rs. 24 crores during the year was mainly accounted for by post office savings bank deposits. Net receipts from post office savings banks, which had risen moderately by Rs. 4 crores to Rs. 21 crores in 1958-59 and by Rs. 5 crores to Rs. 26 crores in 1959-60, recorded a steep rise of Rs. 20 crores to Rs. 46 crores (provisional)† in 1960-61. The sharp rise in post office savings bank deposits during 1960-61 probably reflected, to some extent, the diversion of deposits from commercial banks following the failure of two scheduled banks, one in May and the other in August 1960. Net receipts from the 4 per cent Ten-year Treasury Savings Deposit Certificates and from the Cumulative Time Deposits also increased by Rs. 6 crores and Rs. 1 crore, respectively; as against these, net receipts from the Twelve-year National Plan Savings Certificates declined by Rs. 3 crores to Rs. 66 crores. During the Second Plan Period, net realisations on account of small savings amounted to Rs. 400 crores or an annual average of Rs. 80 crores which fell short of the annual (average) target of Rs. 100 crores fixed for the Second Plan.

The promotional aspect of the small savings movement continued to receive constant attention of the Government and during the year further measures were taken towards this end. It will be recalled that under the Pay Roll Savings Scheme, introduced in September 1959 for the benefit of employees in large establishments, factories, etc., the payment of a commission of 1 per cent on investments in National Plan Savings Certificates and of 1/2 per cent on investments in Treasury Savings Deposit Certificates secured through the Scheme was allowed to the employers to cover the cost of collection or alternatively to be used for the general benefit of the employees. During the year, it was decided to allow a commission of 1/2 per cent on investments in Cumulative Time Deposit Accounts also through this Scheme. In order to encourage the retention of National Savings Certificates and the 3½ per cent Treasury Savings Deposit Certificates after maturity, it was

† Including accrued interest

decided to allow an interest of $3\frac{1}{2}$ per cent per annum for each completed year for which the certificates remain un-encashed after maturity, subject to a maximum period of five years. Further, in order to encourage the reinvestment of the maturing $3\frac{1}{2}$ per cent Treasury Savings Deposit Certificates, it has been decided to accept them in lieu of cash for investment in the 4 per cent Treasury Savings Deposit Certificates. The Post Office Savings Certificates Rules, 1960, the Post Office Savings Bank (Nomination) Rules, 1960, the Public Debt (Amendment) Rules, 1960 and the Public Debt Annuity Certificates (Amendment) Rules, 1960 were promulgated on August 1, 1960 enabling investors in small savings to make nominations to receive the amount due to the investors, in the event of their death, without production of legal documents; the necessary legislation in this behalf had been initiated in 1959. The Rules relating to Cumulative Time Deposit Accounts were amended in November 1960 to provide for the immediate payment of the surrender value to the heirs in the event of the death of the depositor in the case of a single account and to the survivor in the case of a joint account. Mention may also be made of the extension of clearing house facilities to General Post Offices (Savings Bank) at centres where the clearing houses are conducted by the Reserve Bank. Further measures were taken on the organisational side also. An important development during the year was the decision to set up a Model District in each State to develop intensively the small savings movement in that area. The objective of the work in a Model District is to promote thrift, educate people to participate voluntarily in national development by investing their savings with the Government and provide machinery for collection of savings; there are at present 16 model districts in the various States. The number of authorised agents for the sale of small savings certificates increased from 65,748 in 1959-60 to 78,518 in 1960-61.

During the year 1960-61, the States were granted Rs. 69 crores as loans from the total collections of small savings as against Rs. 53 crores in 1959-60 and Rs. 19 crores in 1956-57.

Five Year Interest-Free Prize Bonds.—Mention was made in last year's Report of the issue by the Union Government of five year interest-free bearer Prize Bonds with effect from April 1, 1960. The budget estimates of the Centre for 1960-61 had taken credit for Rs. 25 crores on account of receipts from Prize Bonds. In the revised estimates for that year, however, the amount was placed lower at Rs. 12.5 crores. Actual receipts during the period April 1, 1960 to March 31, 1961 amounted to Rs. 15.6 crores, of which Rs. 8.9 crores were on account of Bonds of Rs. 5 denomination and Rs. 6.7 crores on account of Rs. 100 denomination. Of the total receipts of Rs. 15.6 crores, as much as Rs. 6 crores came during April 1960—the first month of issue—and Rs. 2 crores each in May and June 1960 and February and March 1961. Receipts during the remaining months were negligible, ranging between Rs. 80 lakhs and Rs. 21 lakhs only. With a view to creating greater interest in the scheme on the part of the public, the number of centres for the quarterly drawal of prizes has been increased from 6 in respect of the first draw (September 1, 1960) to 9 in respect of the second draw (December 1) and further to 12 in respect of the third draw (March 1, 1961). Further, arrangements have been made for wider publicity in respect of the results of each draw.

Government Balances and Ways and Means Advances.—During 1960-61, the cash balances of the Government of India with the Reserve Bank and at Government Treasuries showed a net decline of Rs. 20 crores to Rs. 48 crores, in contrast to a net rise of Rs. 34 crores to Rs. 69 crores in 1959-60.

The Central Government has not resorted to ways and means advances since 1943-44.

State Governments

Debt Position.—During 1960-61, the gross debt of the States increased further by Rs. 278 crores to Rs. 2,664 crores as compared to a rise of Rs. 300 crores in 1959-60. The rise was mainly on account of loans from the Central Government, the outstanding of which went up by Rs. 184 crores to Rs. 1,967 crores. Permanent debt (comprising market loans and certain other categories of debt like Zamindari Abolition Compensation Bonds and Encumbered Estate Act Bonds) recorded a rise of Rs. 74 crores to Rs. 491 crores as compared to a rise of Rs. 75 crores in 1959-60. Other debt including loans from National Agricultural Credit (Long-term Operations) Fund of the Reserve Bank of India, loans from National Co-operative Development and Warehousing Board, loans from Khadi and Village Industries Board, Employees' State Insurance Corporation etc. showed an increase of Rs. 5 crores. The outstanding of unfunded debt also rose by Rs. 13 crores. Floating debt (comprising ways and means advances, borrowings from commercial banks etc.), which had declined by Rs. 1 crore in 1959-60, rose by Rs. 1 crore during 1960-61.

State Loans.—During 1960-61, twelve State Governments, viz. Andhra Pradesh, Bihar, Gujarat, Kerala, Madhya Pradesh, Madras, Maharashtra, Mysore, Orissa, Rajasthan, Uttar Pradesh and West Bengal entered the market for loans for an aggregate amount of Rs. 75 crores. All the loans were of the maturity period of 9 years and carried a coupon rate of interest of 4 per cent. Also, all the loans were cash loans excepting the Madhya Pradesh, Madras, Maharashtra and the Uttar Pradesh loans which were cash-cum-conversion loans, the maturing 3 per cent Madhya Pradesh Loan 1960, 3 per cent Madras Government Development Bonds 1960, 3 per cent Madras Government Loan 1960, 3 per cent Bombay State Development Loan 1960 and 3 per cent Uttar Pradesh Loan, 1960 (with outstanding amounts of Rs. 1.0 crore, Rs. 4.4 crores, Rs. 2.8 crores, Rs. 2.6 crores and Rs. 2.2 crores, respectively) were offered for conversion at par into the new loans of the respective State Governments. Excepting the Maharashtra and Gujarat loans which were issued at par, the other loans were offered at discounts ranging from 25 nP. to 50 nP. The redemption yield ranged from 4.0 per cent to 4.07 per cent. Total subscriptions against the offer of Rs. 75 crores amounted to Rs. 85.5 crores and subscriptions accepted to Rs. 79.7 crores, of which Rs. 6.4 crores represented conversions. *Net* borrowing of States, after allowing for cash repayments on account of the maturing loans at Rs. 6.6 crores, amounted to Rs. 66.7 crores.

Balances and Ways and Means Advances.—During 1960-61, the average month-end cash balance of State Governments with the Reserve Bank and at Government Treasuries was higher at Rs. 22·6 crores as compared to Rs. 19·9 crores for 1959-60. However, at the end of 1960-61, States had a *minus* balance of Rs. 23·1 crores as compared to a *minus* balance of Rs. 14·2 crores at the end of 1959-60. The amount of outstanding ways and means advances at the end of 1960-61 was also higher at Rs. 10·7 crores as compared to Rs. 7·5 crores at the end of 1959-60.

VIII. BALANCE OF PAYMENTS

General.—India's external payments position showed a further deterioration in 1960-61 as compared to 1959-60, owing to larger import payments as well as smaller invisible receipts, reflecting broadly the growing impact of the developmental process. With export earnings rising only marginally, the current account deficit grew to a level which was the largest since 1957-58 and double that in 1959-60. The draft on the country's foreign exchange reserves increased to Rs. 59 crores from Rs. 16 crores in 1959-60, despite the substantial inflow of external assistance (Rs. 400 crores) and smaller extraordinary payments to the International Monetary Fund (Rs. 11 crores in 1960-61 as against Rs. 48 crores in 1959-60). At the end of March 1961, the country's foreign exchange reserves touched a level of Rs. 304 crores as against Rs. 363 crores a year ago. They have since declined further to Rs. 282 crores at the end of June 1961.

Table I — Balance of Payments : 1958-61

(Rupees Crores)

	April- June 1960	July- September 1960	October- December 1960	January- March 1961	1960-61 (Preliminary)	1959-60 (Revised)	1958-59
A. Current Account							
Imports c.i.f.							
(a) Private ..	149.2	138.3	151.5	152.5	591.5	508.1	503.6
(b) Government ..	139.0	112.2	115.3	130.0	496.5	416.4	525.4
Total Imports (a+b)	288.2	250.5	266.8	282.5	1088.0	924.5	1029.0
Exports f.o.b. ..	152.6	146.7	171.6	161.0	631.9	623.2	576.3
Trade balance ..	-135.6	-103.8	-95.2	-121.5	-456.1	-301.3	-452.7
Non-monetary gold movement (net) ..	—	—	—	—	—	+ 5.9	—
Official donations ..	+ 16.7**	+ 10.0	+ 7.9	+ 10.8	+ 45.4**	+ 37.1	+ 35.8
Other invisibles (net) +	+ 24.8	+ 10.1	+ 17.1	+ 6.4*	+ 45.6*	+ 75.7	+ 90.8
Current Account (net)—	94.1	- 83.7	- 70.2	-117.1	-365.1	-182.6	-326.1
B. Errors and Omissions ..	- 3.3	- 11.1	+ 3.6	+ 11.5	+ 0.7	- 15.7	- 23.9
C. Capital Account							
Private capital (net)							
(a) Long-term ..	+ 3.8	—	+ 0.6	+ 0.9	+ 5.3	- 7.5	- 23.8
(b) Short-term ..	- 3.2	- 1.1	- 0.3	+ 1.4	- 3.2	+ 0.2	+ 3.6
Banking capital (net) —	- 6.9	+ 6.5	- 0.2	+ 9.7	+ 9.1	+ 11.2	+ 5.0
Official capital (net)							
(a) Loans† ..	+ 43.7	+ 58.9	+ 60.0	+ 61.9	+224.5	+160.6	+219.7
(b) Amortisation ..	- 6.9	- 2.4	- 4.3	- 15.7	- 29.3	- 9.8	+ 28.0
(c) Miscellaneous. +	+ 31.0	+ 13.8	+ 22.0	+ 32.0	+ 98.8	+ 27.5	+ 75.2
D. Movement in Reserves							
A+B+C (Increase+, decrease—)	.. - 35.9	- 19.1	+ 11.2	- 15.4	- 59.2	- 16.1	- 42.3

†Include drawings from the IMF as well as repurchases of rupees held by it.

**Includes Rs. 8.4 crores earmarked by the U.S. authorities to finance export of goods and services to Nepal under their economic aid programme to that country.

*Includes Rs. 8.3 crores paid to the IBRD as the first instalment of our contribution to the Indus Basin Development Fund under the terms of Indus Water Treaty signed on September 19, 1960.

Overall and Quarterly Position.—Overall payments data for the four quarters of 1960-61 are presented in Table I along with the annual data for 1960-61 and the preceding two years. The first quarter of the year saw a steep fall of Rs. 36 crores in the reserves attributable chiefly to a sharp rise over the previous quarter of Rs. 36 crores in imports and to the extraordinary outlay of Rs. 11 crores on repurchases of rupees from the I.M.F. The reserves further declined by Rs. 19 crores in the second quarter, but moved up in the following quarter as a result of the usual seasonal rise in export earnings. In the fourth quarter they declined again partly owing to the payment of Rs. 8 crores to the I.B.R.D. under the Indus Water Treaty of September 1960. In all the four quarters, imports were higher than in the corresponding quarters of the preceding year. The invisibles account deteriorated sharply and in the last quarter, January-March 1961, there arose, in fact, a payment under this head.

Regional trends.—The payments position with all the major areas except the sterling area worsened, the total deficit doubling over the year (Table II). Unlike in the preceding year, the deficit with the sterling area narrowed by Rs. 15 crores to Rs. 30 crores. The deficit with the dollar area more than trebled to a record post-war level of Rs. 195 crores while that with the O.E.E.C. countries increased by more than a third to Rs. 143 crores. The surplus with the rest of the non-sterling area was reduced sharply from Rs. 27 crores to Rs. 4 crores. While private imports from all the areas rose over the year, Government imports from the three areas other than the sterling area increased, those from the sterling area recording a sharp decline. Exports to the sterling area were up by Rs. 8 crores and to the dollar area by half as much, while those to the O.E.E.C. countries and the rest of the non-sterling area were fractionally less than in 1959-60. On the other hand, the invisibles account with all the areas worsened appreciably.

Table II — Regional Current Account

Surplus (+) Deficit (—)

(Rupees Crores)

			April- June 1960	July- Sept. 1960	October- Dec. 1960	January- March 1961	1960-61 (Preliminary)	1959-60 (Revised)	1958-59
Sterling Area	..	..	-23.4	- 7.9	+14.0	-13.1	- 30.4	-45.3	- 12.3
Dollar Area	..	..	-42.1	-42.8	-50.1	-59.9	-194.9	- 58.3	- 87.5
O.E.E.C. Countries	..	..	-37.1	-33.4	-35.8	- 37.1	-143.4	-105.6	-165.2
Rest of Non-sterling Area			+ 8.5	+ 0.4	+ 1.7	- 7.0	+ 3.6	+ 26.6	- 61.1
Total	..	..	-94.1	-83.7	-70.2	-117.1	-365.1	-182.6	-326.1

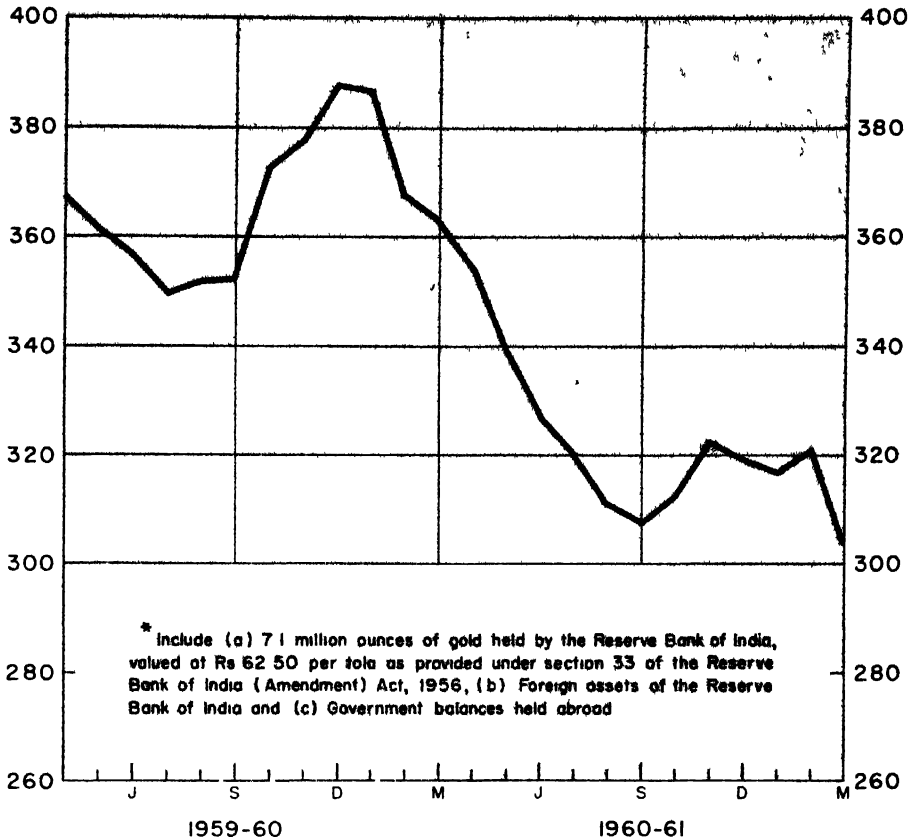
The improvement in the accounts with the sterling area was mainly attributable to the fall in Government imports, both food and non-food, which more than offset the combined effect of a fall in invisible receipts (Rs. 11 crores) and a rise in private imports (Rs. 25 crores). Nearly half the rise in private imports resulted from higher purchases of capital goods. Larger offtake of jute goods and spices more than offset

GRAPH 15

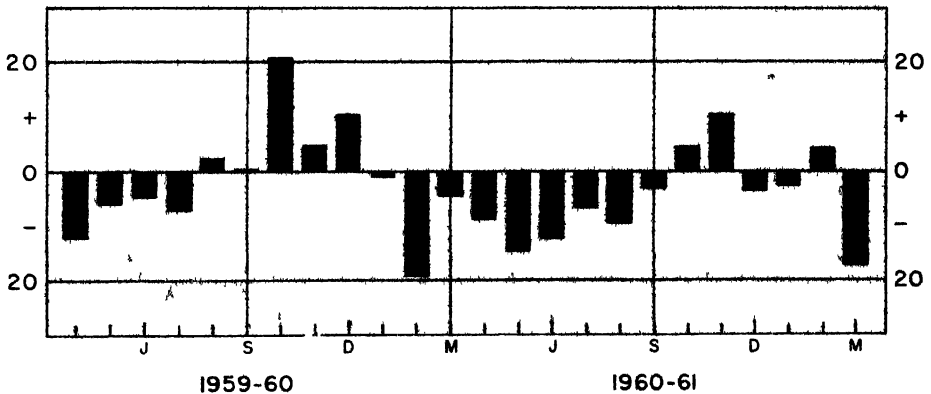
INDIA'S FOREIGN EXCHANGE RESERVES *

AS AT THE END OF THE MONTH

Crores of Rupees



MOVEMENT IN RESERVES



the fall in tea, vegetable oils, oilcakes, cotton manufactures and hides and skins to raise the earnings from this area.

Almost the whole of the record rise in the current account deficit with the dollar area, was due to a sharp rise in imports, the bulk of which was on account of higher purchases of foodgrains and raw cotton under the P.L. 480 programme, though private imports of capital goods were also higher by about Rs. 26 crores. Lower net invisible earnings from the area reflected the higher interest payments on the I.B.R.D. and D.L.F. loans and the payment of Rs. 8 crores to the I.B.R.D. under the Indus Water Treaty. The net benefit to the country represented by the amount of invisible receipts in 1960-61 from this area was, however, overstated by Rs. 8 crores which the United States have earmarked out of P.L. 480 counterpart funds for export of goods and services to Nepal. The modest rise of Rs. 4 crores in export earnings from this area resulted entirely from jute goods which more than offset the decline in other exports.

Higher imports, principally on private account, lower earnings from exports and worsening of the invisible account resulted in the deterioration in the current account position with the O.E.E.C. countries and the rest of the non-sterling area. Net invisible payments to the O.E.E.C. countries nearly trebled over the year to Rs. 12 crores while net receipts from the rest of the non-sterling area declined by Rs. 3 crores to Rs. 7 crores owing to larger interest and technicians' service payments.

Pattern of trade.—With export earnings showing only a marginal rise, while the import bill rose by Rs. 164 crores, the trade deficit in 1960-61 shot up by Rs. 155 crores to Rs. 456 crores to reach a level higher than that in 1958-59. Unlike in the last year, the rise in export receipts, though marginal, was mainly the result of the high level of prices of jute manufactures. The sharp rise in import payments was almost equally shared by Government and private imports. Food imports under P.L. 480 which nearly doubled over the year accounted for whole of the rise in Government imports in addition to offsetting a modest fall in other maintenance imports, developmental imports having risen over the year only marginally. Capital goods accounted for more than two-thirds of the rise in private imports, miscellaneous items accounting for the rest.

Exports.—At Rs. 632 crores, export earnings were Rs. 3 crores less than the Second Plan peak of Rs. 635 crores in 1956-57. The rise of Rs. 9 crores over the previous year was, however, not very encouraging in view of the numerous export promotion measures in force, the virtual absence of Chinese competition and the general buoyancy in economic activity abroad.

Commodity-wise, jute manufactures earned Rs. 25 crores more, metallic ores (including manganese) brought in Rs. 6 crores more and earnings from spices (including pepper) and cashew kernels improved by Rs. 3 crores and Rs. 2 crores respectively. All other major items of exports recorded a decline ; oilseeds and oilcakes, and vegetable oils each brought in about Rs. 6 crores less, cotton manufactures Rs. 7

crores less and raw and waste cotton and raw hides and skins each earned Rs. 2 crores less. Japan and Czechoslovakia were equally responsible for higher earnings from metallic ores while the U.S.A., Australia and the United Kingdom, in that order, helped jute manufactures to record the highest earnings for the Plan period mainly through a rise in prices. Tea, on the other hand, suffered, as in the last year, lower offtake by the Sudan, the United States and the United Kingdom was largely responsible for the reduced earnings this year. Increased purchases by Ceylon and Persian Gulf ports, helped push up earnings from spices and pepper. Cotton manufactures earned only about half the amount of last year both from the Sudan and the U.S.A. and were generally affected by competition from other suppliers. Lower earnings from oils and oilcakes indicated that the shortage of cattlefeed caused by extraordinary drought conditions in Europe had now passed. The fall in earnings from hides and skins is attributable mainly to a fall of 25 per cent in exports to the United Kingdom.

Imports.—The growing maintenance needs of the economy pushed up import payments from Rs. 924 crores in 1959-60 to Rs. 1,088 crores in the year under review, notwithstanding a general continuance of the restrictive import policy. Private imports of metals, machinery and vehicles had to be allowed to rise substantially, as also to a much more modest degree those of electrical goods. Similarly raw materials like chemicals and dyes had to be imported in larger quantities. Higher imports of raw cotton were the result of the expected shortfall in domestic production. The rise in imports of consumer goods and other miscellaneous items was marginal while payments for mineral oils declined by a twelfth.

Government Imports.—A significant feature of Government imports was the marked fall (Rs. 16 crores) in the non-food maintenance category. Imports of capital equipment for Government projects rose by Rs. 3 crores, and of iron and steel and railway stores by Rs. 5 crores each, while food imports, as mentioned earlier, increased over the year by Rs. 87 crores entirely under the P.L. 480 programme. Thus total Government imports rose by Rs. 80 crores whereas in 1959-60 they had declined by Rs. 109 crores to bring about a contraction of the trade deficit from the level of 1958-59.

Invisibles excluding Official Donations.—Net invisible receipts other than official donations continued the declining trend evident since 1957-58, but at a sharp rate, during the year under review. At Rs. 46 crores, they worked out only to two-fifths of the receipts in the first year of the Second Plan. With the large inflow of foreign capital, particularly on official account, interest and dividend payments as well as remittances of profits have been rising, and at Rs. 42 crores in 1960-61, net investment income payments recorded a rise of one-third over the previous year. Net miscellaneous Government receipts booked under 'Government not included elsewhere' showed a modest rise notwithstanding a payment of Rs. 8 crores to the Indus Basin Development Fund, because of the larger reimbursements by the U.S.A. in respect of freight incurred initially by India on P.L. 480 imports. Private invisible receipts, however, recorded a fall of 30 per cent over the previous year owing largely to smaller inward remittances.

Official Donations.—Excluding Rs. 8 crores of P.L. 480 counterpart funds earmarked by the United States for their aid to Nepal, receipts of official donations remained unchanged at the level a year ago. The fall of Rs. 10 crores over the year in receipts under the Colombo Plan countries was made good by larger aid under the P.L. 480 and T.C.A. programmes of the U.S.A. and from the Ford Foundation.

Capital Transactions.—At Rs. 305 crores, net capital inflow recorded an appreciable rise of Rs. 123 crores over the previous year. In 1959-60 there were special capital payments of Rs. 48 crores towards our increased subscription to the I.M.F. and repurchases in respect of the Fund accommodation obtained in 1957. In the year under review, repurchase payments to the I.M.F. amounted to Rs. 11 crores. In the private sector, a net outflow of Rs. 7 crores in 1959-60 was transformed into a net inflow of Rs. 2 crores in 1960-61. In the banking sector, however, unlike in the preceding year, there was an adverse movement, the net inflow being reduced by Rs. 2 crores to Rs. 9 crores as a result of a substantial reduction in the rupee liabilities towards non-resident banks. Transactions in the official sector, therefore, were almost entirely responsible for the smart improvement in the capital account. Gross official loan receipts rose by Rs. 56 crores following larger drawings on credits from the I.B.R.D., the U.S.A., West Germany and Japan. Reflecting the large foreign aid already received, net amortization payments shot up from Rs. 10 crores to Rs. 29 crores. Larger utilization of P.L. 480 and 665 assistance and other aid more than trebled miscellaneous capital receipts in the official sector.

During the year various measures such as grant of tax concessions to foreign investors and ratification of double taxation avoidance agreements with Norway, Denmark, West Germany and Japan were taken to make investment in the country more attractive to the foreigners. These efforts were reinforced by official clarification of the general principles regarding technical collaboration agreements and restatement of official policy governing foreign investment. Further, the Indian Investment Centre was set up in New Delhi with the assistance of the Technical Co-operation Mission of the U.S.A. to encourage actively foreign private investment in India.

External Assistance.—With a low level of foreign exchange reserves and the none too happy position of exports, while invisible receipts declined rapidly and payments for imports increased more rapidly still, India in 1960-61 had to negotiate for a much larger volume of assistance than in the previous year. Loans and P.L. 480 credits for which authorisations were secured during the year amounted to Rs. 970 crores or over Rs. 500 crores more than in 1959-60, while grants accounted for Rs. 34 crores. This raised the total foreign aid authorisations in 1956-61 (including aid earmarked for Third Plan projects) to Rs. 2,569 crores. With a carry-over of Rs. 193 crores from the First Plan, total foreign assistance available for the Second Plan came to Rs. 2,457 crores, of which Rs. 1,090 crores or 44 per cent was in the form of loans while P.L. 480 and 665 and third country currency assistance programmes of the U.S. accounted for Rs. 1,143 crores or 47 per cent, grants making up the remaining 9 per cent.

(Rs. crores)

	Undisbursed balance as at the end of the First Plan	Authorised during the Second Plan*	Total* (1+2)	Estimated utilisation during the Second Plan	Undisbursed amount as at the end of March 1961* (3-4)
	1	2	3	4	5
1. Loans					
(a) Repayable in foreign currencies ..	88.6	1,004.2	1,092.8	608.2	485.1
(b) Repayable in rupees	25.1	275.8	300.9	115.4	185.5
Total	113.7	1,280.0	1,393.7	723.6	670.6
2. Grants	67.1	157.9	225.0	198.1	26.9
3. P. L. 480 and 665 aid and Third country currency assistance (Gross)	11.8	1,130.9	1,142.7	544.8	597.9
TOTAL (1 to 3)	192.6	2,568.8	2,761.4	1,466.5	1,295.4

N.B.—The figures of grants, loans, etc. given here do not tally exactly with those given in the Balance of Payments table on page 103 because of differences in sources, coverage, etc.

*Including loans and credits of Rs. 304 crores authorised for the Third Plan projects.

Estimated utilisation of foreign assistance during the Second Plan period amounted to Rs. 1,467 crores, leaving a carry-over of Rs. 1,295 crores (including the amounts authorised during the Second Plan period for the Third Plan projects) for use after March 1961.

Countrywise, the U.S.A., with nearly Rs. 1,515 crores of authorised aid accounted for 59 per cent of the total assistance granted during the Second Plan period. The U.S.S.R. came next with authorisations of Rs. 319 crores, three quarters of which was, however, earmarked for projects included in the Third Plan. West Germany contributed Rs. 133 crores and the U.K. Rs. 123 crores; assistance from both these countries was more speedily utilised because several of the U.K. and West German credits were made for general purposes untied to any specific project. Thus the unused balance at the beginning of the Third Plan in respect of assistance authorised by these two countries was less than Rs. 14 crores (Rs. 13 crores in the case of West Germany and Rs. 80 lakhs in the case of the U.K.). The I.B.R.D., apart from arranging from friendly countries a significant stepping up of foreign assistance, itself made loans to the extent of Rs. 265 crores; India, in fact, is the largest borrower from the World Bank.

Purposewise analysis of external loans available for utilisation after March 1956 shows that loans of Rs. 773 crores, or 56 per cent of the total, were for industrial projects within the framework of the Second and Third Plans. The three public sector steel plants and import of steel for other projects attracted credits of Rs. 275 crores, railways received Rs. 195 crores and Rs. 38 crores were made available for development of other types of transport and communications.

			(Rs. crores)		
Purpose of Loans			Aid available for utilisation after March 1956	Estimated utilisation dur- ing the Second Plan	Undisbursed amount as at the end of March 1961
			1	2	3
1.	Steel and Steel Projects	.. ..	275.2	253.1	22.6
2.	Transport				
	(a) Railway Development	.. ..	195.3	142.9	52.4
	(b) Ports	.. ..	20.5	6.8	13.7
	(c) Airways	.. ..	10.9	8.6	2.3
	(d) Road Transport	.. ..	6.2	0.4	5.8
	Total	.. ..	232.9	158.7	74.2
3.	Power Projects	.. ..	72.8	29.2	43.6
4.	Industrial Development	.. ..	772.7	256.0	516.7
5.	Iron Ore Project	.. ..	13.3	—	13.3
6.	Wheat Loans	.. ..	15.7	15.7	—
	Total	.. ..	1,382.5*†	712.4*	670.6

N.B.—Individual items may not add up to totals because of rounding differences. The purpose-wise distribution given here is not comprehensive.

*Excludes Rs. 11.2 crores authorised by West Germany in January 1961 for meeting liabilities arising on account of the Rourkela Credit.

†Includes Rs. 304 crores authorised for the Third Plan projects.

P.L. 480 assistance to India.—Under the P.L. 480 programme, the U.S. agreed during the first four years of the Second Plan to supply to India 11 million tons of wheat in addition to substantial amounts of corn, rice, tobacco, cotton and dried milk; the total amount involved was Rs. 461 crores. In May 1960, the last of the agreements during the Second Plan period was entered into under which the U.S.A. agreed to supply, over a period of four years, over 16 million tons of wheat, 1 million tons of rice as also tobacco, cotton and corn, the total value amounting to Rs. 652 crores. Sale proceeds of the P.L. 480 imports were agreed to be disposed of in the following manner :—

			(Rs. crores)
1.	Loans to the Government of India	..	516.9
2.	Grants to the Government of India	..	375.1
3.	Loans to private enterprises under the Cooley Amendment	..	77.5
4.	U. S. Embassy expenditure in India	..	143.0
	TOTAL	.. ..	1,112.5

During the three months since the commencement of the Third Plan, additional assistance of Rs. 126 crores has been authorised, of which Rs. 53 crores emanates

from the U.K. and Rs. 39 crores from West Germany, comprising Rs. 27 crores to meet obligations arising out of the earlier Rourkela credit. The International Development Association has also granted its first loan to India amounting to Rs. 29 crores for the development of highways.

The I.B.R.D. convened in May 1961 the fourth meeting of the Aid India Consortium at which assurances of substantially firm commitments for Rs. 1,059 crores worth of aid in the first two years of the Third Plan were made. The country-wise commitments are as follows :—

				(In Million \$)		
				1961-62	1962-63	Total
I.B.R.D. & I.D.A.	..			250	150	400
United States	..	..	..	545	500	1,045
West Germany	..	..	..	225	139	364*
U.K.	..	..	..	182	68	250
Japan	..	.	..	50	30	80
Canada	..	..	..	28	28	56
France	..	..	..	15	15	30
Total	..	..	..	1,295	930	2,225*

*Excludes \$ 61 million to be provided in the third year of the Third Plan.

Balance of Payments in the Second Plan:—The year 1960-61 marks the end of the Second Plan. The country's foreign exchange reserves suffered considerable erosion during the Second Plan period (Table III) of Rs. 598 crores to Rs. 304 crores at the end of March 1961 or about thrice the amount envisaged in the Plan document. Over the First Plan period the drain on the reserves had amounted to Rs. 127 crores. More than three-fourths of the fall took place in the first two years of the Plan; it was the recourse to a stringent import control policy and a much larger help from abroad that enabled us to tide over the remaining three years with a reduced drain on reserves. The Second Plan document estimated an aggregate deficit on current account excluding official donations at Rs. 1,120 crores over the quinquennium; in the event the estimate was exceeded by Rs. 800 crores. Earnings from invisibles were considerably higher, and from exports slightly so, than the Plan estimates. The excess of Rs. 160 crores over the anticipated average annual current deficit was, by and large, accounted for by higher imports of foodgrains, iron and steel, machinery and vehicles. Export earnings averaged at Rs. 612 crores or Rs. 19 crores more than the Plan estimates, though they were short by Rs. 10 crores of the average attained in the First Plan period. At around Rs. 77 crores, earnings from invisibles other than official donations and other special official receipts averaged better by Rs. 26 crores per annum than the Plan estimates and almost around the same as the actuals in the First Plan period. The annual average import payments at Rs. 1,074

TABLE III.—BALANCE OF PAYMENTS DURING THE SECOND PLAN PERIOD

(Rs. Crores)

	1956-57	1957-58	1958-59	1959-60 (Re- vised)	1960-61 (Prelimi- nary)	Annual Second Plan Actuals	Average Second Plan Plan Esti- mates	Annual Average First Plan Actuals
1. Imports c.i.f.								
(a) Private ..	812	696	504	508	592	622	..	543
(b) Government ..	287	537	525	416	496	452	..	183
Total Imports (a + b)	1099	1233	1029	924	1088	1074	868	726
2. Exports f.o.b. ..	635	594*	576	623	632	612	593	622
3. Trade balance ..	- 464	- 639	- 453	- 301	- 456	- 462	- 275	- 104
4. Non-monetary gold movement (net) ..	—	—	—	6	—	1	—	—
5. Invisibles (net) other than official donations and similar official as- sistance ^(a) ..	+ 111	+ 102	+ 83	+ 57	+ 33	+ 77	+ 51	+ 78
6. Current Account De- ficit excluding official donations ..	- 353	- 537	- 370	- 238	- 423	- 384	- 224	- 26
7. Capital transactions other than assistance in 9 below ^(a) ..	- 36	- 23*	- 16	- 51	- 25	- 30	+ 24	- 31
8. Total Surplus (+)/ Deficit (-) ..	- 389	560	- 386	- 289	- 448	- 414	- 200	- 57
9. Foreign Assistance in- cluding net drawings from the I.M.F. ..	+ 168	+ 300	+ 344	+ 273	+ 389	+ 295	+ 160	+ 32
10. Draft (-) on Foreign Exchange Reserves ..	- 221	- 260	- 42	- 16	59	- 119	- 40	- 25

* Exclude transactions relating to the repatriation of lend-lease silver to the U. S. A. valued at Rs. 74.4 crores.

^(a) Exclude U. S. Embassy expenditures in India out of P. L. 480 counterpart funds; these figures, therefore, are not comparable with the figure of 'invisibles' published elsewhere in this Chapter.

^(a) Include errors and omissions.

crores, on the other hand, were nearly 24 per cent above the Plan estimate and one-half more than the First Plan actuals.

The import bill was substantially higher than the estimates in every year of the Second Plan. The peak of Rs. 1,233 crores was reached in the second year of the Plan. In the following two years there was a rapid fall but the minimum demands for the maintenance of the level of economic activity in the country pushed up the import bill in the last year of the Plan to a level only slightly lower than in the first year. Private imports were reduced sharply from Rs. 812 crores in 1956-57 to Rs. 696 crores in 1957-58 and again to Rs. 504 crores in 1958-59; they rose fractionally in 1959-60 but recorded a substantial rise of about 17 per cent in the last year of the Plan. Imports of both capital and consumer goods declined significantly in the three years 1957-60 but in 1960-61 rose over the previous year's level. Purchases of raw

materials, on the other hand, which were cut down sharply in the second and third years of the Plan were allowed to grow in the fourth year and remained at that level in 1960-61. Though private imports in the last year of the Plan were higher than in 1959-60, they were still much lower than in 1956-57 and in 1957-58.

In contrast, Government imports rose by more than four-fifths from Rs. 287 crores in 1956-57 to Rs. 537 crores in 1957-58 and were higher in the last year of the Plan than in the first. The rise in 1960-61, as mentioned earlier, can be attributed almost entirely to the higher imports of food-grains under P.L. 480 arrangements.

Indicative of the step-up of investment activity aggregate imports on both Government and private account of machinery and vehicles averaged Rs. 325 crores per annum as against the First Plan actuals of Rs. 150 crores only. Similarly, iron and steel imports averaged at Rs. 95 crores annually ; in the First Plan they averaged Rs. 32 crores only. Raw cotton imports, on the other hand, recorded in 1956-61 an annual average of Rs. 41 crores, or almost half the annual average for the First Plan period.

Export earnings fell continuously over the first three years of the Plan but picked up substantially in the fourth year and recorded a further modest rise in the last year of the Plan. During 1957-59 recessionary tendencies abroad as well as stiffer and in some cases 'unfair' competition had an inevitably adverse impact on our exports. In the last two years, despite the revival of economic buoyancy abroad the earnings were below the level of the first year, which itself brought in lower receipts than the last year of the First Plan.

A number of traditional commodities such as jute and cotton manufactures, raw cotton and vegetable oils brought in lower earnings over the Second Plan period than in the First. Tea which earned Rs. 26 crores more annually, on an average, than in 1951-56, also, showed falling receipts since 1958-59. Our exports to East European countries, however, recorded a substantial stepping up under the impact of the rupee payments agreements; export earnings from these countries more than doubled from Rs. 20 crores in 1956-57 to Rs. 47 crores in 1960-61. Further, items like iron ore, cashew kernels and oilseeds acquired in the quinquennium an importance in our export trade and engineering goods, almost doubling between 1956 and 1960, emerged as a new line of export from this country.

Net receipts from invisibles, other than official donations and U.S. Embassy expenditure in India out of P.L. 480 counterpart funds, rose in the first year of the Plan but declined thereafter. Transportation, private donations, insurance and private miscellaneous transactions, all brought in steadily declining net receipts while on investment income account, net payments have had to be made since 1957-58 as a result of the decline in the official holdings of foreign assets and the progressive increase in servicing payments on both public and private accounts. The only component of invisibles to show a large rise was the miscellaneous item for Government receipts mainly owing to reimbursements for transportation charges initially incurred on P.L. 480 imports.

The balance of payments deficit on current account, excluding official donations, rose from Rs. 353 crores in 1956-57 to Rs. 537 crores in 1957-58 but was successively reduced in the following two years to Rs. 370 crores and Rs. 238 crores; in the last year of the Plan, however, it rose to Rs. 423 crores. As the reserves touched a low level by the end of the second year of the Plan, special efforts for securing foreign assistance became increasingly imperative so that the tempo of economic activity under the Plan could be maintained. As a result, whereas the reserves and net drawings from the I.M.F. financed about 80 per cent of the current account deficit in 1956-57 and 55 per cent in 1957-58, they financed only 12 per cent of the deficit in 1958-59. In 1959-60 there were net payments to the I.M.F. on account of the repayment of a part of the drawing in 1957 and yet the reserves had to be drawn upon to finance only 6 per cent of the current account deficit. In the last year of the Plan, however, in spite of the increased capital inflow, reserves were drawn upon to finance about 14 per cent of the current deficit.

Developments in Exchange Control.—A few measures were taken during the year under review to encourage the inflow of capital and to conserve available foreign exchange resources. Also, on Japan making current Yen convertible and Nepal taking over the responsibility of managing its own international payments, some consequential arrangements became necessary. These are briefly noticed below:—

1. With a view to facilitating remittances to India by Indian nationals resident abroad, certain relaxations in the rules were made in June 1958 permitting authorised dealers to put through such remittances as also to debit non-resident rupee accounts of persons and firms upto Rs. 1,000 without obtaining prior approval of the Bank. Further changes were made in June 1960 as a result of which authorised dealers are not required, as from June 29, 1960, to obtain prior permission of the Bank to purchase India Government securities on behalf of their non-resident constituents and debit private non-resident accounts for the purpose, provided the securities are purchased from a stock exchange in India or directly from the Bank's Public Debt Office or from any Indian Post Office.

2. It was announced in May 1960 that applications for establishing new industrial units or for expanding the existing units which entail foreign capital participation and/or of technical collaboration involving payments of technical fees, etc. to foreign collaborators should in future be made to Government directly (instead of to the Bank) who will inform the applicants of their decision.

3. Steamship and airline companies and their agents were permitted under the regulations operating for some years to book passages by any carriers for residents in India (other than persons in transit or on short visit to this country) and collect fares in rupees provided the booking was on a normal direct route and the cost of the ticket did not exceed certain prescribed limits. It was noticed that some agents misused this procedure and arranged pleasure tours for which they collected passage fares within prescribed limits but including other benefits extended to travellers outside India under certain concession schemes. Since exchange is not being released for pleasure travel, instructions were issued to all steam-ship/airline companies and freight/travel agents not to book passages in case of conducted tours for pleasure

travel to foreign countries even if the cost of passage did not exceed the prescribed limits.

It was also noticed that certain foreign airlines which did not actually operate to and from India booked tickets for Indian residents through their agents in India. This resulted in a diversion of some of the traffic which would normally go to airlines operating in India and entailed consequent loss of foreign exchange. Instructions were, therefore, issued prohibiting tickets being sold for steamship/airline companies which did not actually operate to and from India.

4. On a review of the policy regarding foreign exchange to students taking up non-technical courses abroad, Government decided not to make exchange available to such students unless they obtained a master's degree or Honours degree or a first class pass degree in India. Students securing admission to Honours non-technical courses at the Universities of Oxford, Cambridge and London are, however, exempted from this requirement. It was also decided not to grant foreign exchange to students taking up business administration (except post-graduate courses run by Universities), accountancy and cinematography.

5. Since November 18, 1959 passengers coming to India from the Portuguese territories adjacent to India (i.e. Goa, Daman and Diu) were allowed to bring in Indian currency notes and coins upto Rs. 75 per person. This limit was reduced to Rs. 50 from September 23, 1960.

6. Persons coming to India from other destinations are permitted to bring in rupee notes upto Rs. 75. It was noticed that two or more members of a family frequently combined their present quotas of Rs. 75 each and took out or brought in the total amount in rupee notes of Rs. 100 denomination. It was considered desirable to prevent the movement across the borders of rupee notes of denominations of Rs. 100 and over and accordingly notifications were issued on November 1, 1960 prohibiting taking out or bringing in of Indian bank notes of Rs. 100 or higher denominations.

7. Haj pilgrims were permitted in 1960 to take out with them Haj currency notes between Rs. 1,200 to Rs. 1,800 according to the type of transport (air or sea and first or deck class) availed of by them. These varying quotas were substituted in 1961 by a uniform quota of Rs. 1,200 per adult and Rs. 600 per child between the ages of 3 and 16 years irrespective of the type of transport used.

8. Under a Treaty of Trade and Transit, effective as from November 1, 1960, between Nepal and India, Nepal undertook to meet out of her own resources its foreign exchange expenditure in respect of transactions with countries other than India, though there will be no exchange control between India and Nepal and payment for goods and services between the two countries will continue, as before, to be made in Indian rupees. To implement this arrangement, authorised dealers were instructed (i) not to open letters of credits or effect remittances of foreign exchange in respect of imports into Nepal from third countries and not to handle documents covering Nepalese exports to third countries through India, and (ii) not to release foreign exchange to residents of Nepal for travel to and from third countries. Nepal

residents will, however, be allowed freely to book passages in India to third countries against payment in Indian rupees provided the booking is by an Indian/Nepalese steamship/airline; in case of booking by any other line, the rupees must be provided by laying down equivalent sterling or other foreign currency. Similarly, freight payments on Nepalese exports to third countries or on imports into Nepal from third countries may be accepted in Indian rupees by shipping/airline companies in India if goods are transported by Indian/Nepalese vessels. Where goods are transported by vessels/airlines of other nationalities, payment may be accepted in rupees provided equivalent sterling or other foreign currency is laid down.

9. Japan introduced in July 1960 a system of non-resident free Yen accounts making Yen on account of current transactions freely convertible to non-residents. In view of this, authorised dealers were permitted to open free Yen accounts with their correspondents in Japan and deal in Yen at rates determined by market conditions.

10. Exchange control authorities in Burma permitted Indian nationals to take out with them rupee notes upto Rs. 100 per person but did not allow any other worthwhile exchange facilities. It was, therefore, decided to relax, with effect from November 1, 1960, the general limit of Rs. 75 on import of rupee notes by person coming into India and to permit persons coming from Burma to bring in rupee notes and coins upto Rs. 100 per person.

Trade Policy.—A reference was made earlier in this Chapter to the intensification of export promotion efforts and the continuance of a restrictive import policy during the year under review. Export controls over 90 commodities were removed in two stages in September 1960 and March 1961. Kyanite ore, graphite, certain essential oils, paraffin wax, green coconuts, green and dried chillies and kardi, niger and sesame seeds were among the commodities decontrolled. Certain items like coal tar and mixtures, dog spikes, chair spikes and screw spikes which were hitherto not allowed, or exported on a quota basis, were placed under free licensing. A three-year export policy for manganese ore was announced with a view to enabling mineowners and shippers to plan their activities on a long term basis. A satisfactory supply position during the year made possible the issue of an export quota of one lakh tons for sugar.*

Linking of imports to export performance continued to play an important role in the export incentive schemes. The existing schemes for cotton textiles and artsilk fabrics were widened to cover the export of a few more items such as newar, artsilk chaddars, lungis etc. New schemes were formulated for sea foods and frog legs, coir goods, unmanufactured tobacco, and for the supply of baling hoops and box strappings for packing of goods for export.†

Fiscal incentives consisting of reduction in export duty, refund of import duties and of Central excise duties on materials used in the manufacture of goods for export were extended to a number of items during the year. The export duty on tea

* A further quota of two lakh tons was announced in June 1961.

† In June 1961, schemes for manganese ore and agarbathies were announced

was reduced from 53 nP per kg. to 44 nP. with effect from March 1, 1961. Exports of iron castings, fabrics containing lurex yarn, mirrors, and zip fasteners, among others, were granted drawback of import duties on materials used while exports of electric motors, paper laminated hessian bags, tinplate products, etc., were granted refund of Central excises (details in statement 81)

Credit facilities available to exporters were extended during the year. The Bank liberalised its Bill Market Scheme (details in Chapter IV). The Export Risks Insurance Corporation extended its cover to packing credits made by the scheduled banks and others to exporters to enable them to manufacture or purchase goods for export. The activities of the Corporation witnessed an expansion during the year when 332 policies with a maximum liability of Rs. 8.7 crores were issued as against 250 policies of Rs. 7.6 crores issued during the preceding year.

The institutional framework for stimulating exports was strengthened during the year by the setting up of an export promotion council for spices in August 1960 and reconstitution of the existing cashew and pepper council into an export promotion council for cashew alone. A scheme was announced in February 1961 granting privileges such as special treatment in respect of raw material supplies, introduction to foreign importers, etc. to exporters registered with the export promotion councils, commodity boards or other authorities designated for the purpose, in return for their observing certain minimum standards of conduct in the export business. A tentative scheme for setting up a free trade zone at Kandla was also formulated by the Ministry of Transport and Communications under which a small area at the port would be cordoned off to provide facilities for manufacturing goods for export out of raw materials imported without payment of duties. An *ad hoc* committee was appointed under the chairmanship of the Director of the Indian Standards Institution to examine the question of imposing quality control and pre-shipment inspection of goods meant for export.*

A reference may also be made to the activities of the State Trading Corporation in promoting exports: several link deals with West European countries were concluded by the Corporation during the year under review and it also introduced a special scheme to promote exports of fruit products, biscuits and confectionery (details in Statement 81).

Import policy during the year was chiefly concerned, as in 1959-60, with the provision of adequate supplies of essential raw materials and spares with a view to ensuring fuller utilisation of the country's existing industrial capacity. Thus, a system of annual licensing of the raw material requirements of certain industries was introduced in April 1960 in order to enable them to plan their production programmes and to procure uninterrupted supplies economically; 177 engineering industries including machine tools, agricultural implements, air-conditioning machinery, etc. and 32 other industries like sugar, cement, refractories, drugs and medicines became eligible for licences under the scheme. The number of items licensable to actual users was increased during the year by 50 to cover goods like taper roller bearings,

The committee has since submitted its report to Government.

electronic valves, filter paper, ferro tungsten, ferro titanium, panel pins and ball bearings of specified sizes, etc. Larger quotas were granted to established importers for the import of brass scrap, unwrought copper, components and spare parts of textile, sugar and earth-moving machinery, watches and musical instruments and parts. The basic licensing period for 34 items (milk food for infants, paper, etc.) was extended during April-September 1960. During October 1960—March 1961, the basic period for 7 items (powdered milk, motor vehicle parts, etc.) was similarly extended. Simultaneously, wherever indigenous supply position showed improvement or the items were found relatively inessential, the import quotas to established importers were reduced. Thus, during the April-September 1960 licensing period, import quotas for bifurcated rivets, files and rasps, boiler tubes, hydro-sulphate of soda, wattle bark, wattle extract etc. were marked down, while in the licensing period October 1960—March 1961 the quotas for wines, whisky, sheet and plate glass, copper and brass manufactures, leather belting, etc. were lowered.*

Towards the end of the year under review, Government appointed a committee under the chairmanship of Shri A. Ramaswamy Mudaliar to examine the working of the import and export trade control organisations and to suggest further simplification and improvement in the licensing procedures.

Trade agreements.—Trade agreements continued to serve as an instrument of reducing the imbalance in the payments situation through increasing export earnings by development of trade with newer markets and in newer commodities. In addition to the renewal of five of the agreements for further periods and modification of four of the existing agreements, new agreements were concluded with Morocco and Tunisia. A ten-year Treaty of Trade and Commerce with Nepal, which expired on October 31, 1960 was replaced by another. With 14 of the agreements signed earlier, and still in operation, the total number of trade and payments agreements in force at the end of 1960-61 was 26.† The Treaty with Nepal signed in September 1960 permits, among other things, a continuation of the existing arrangements between the two countries under which goods originating in either country and intended for consumption in the territory of the other are exempted from customs duties and other equivalent charges as well as from quantitative restrictions, with the proviso that Nepal, on revenue considerations, may continue to maintain the existing import and export duties on goods traded with India. The Treaty also provides for freedom of transit to goods of both the countries intended for export to or import from a third country. The agreement with Pakistan was modified in November 1960 by the addition of a few commodities to the list of goods to be traded, because it was found that the self-balancing trade fell short of the scheduled level of Rs. 4·1 crores envisaged in the

*The Policy for the half year ending September 30, 1961 announced in April 1961 inter alia abolished the formal distinction between Dollar and Soft Currency Areas for purposes of import licensing.

†These are: (1) Afghanistan, (2) Bulgaria, (3) Burma, (4) Chile, (5) Czechoslovakia, (6) Egypt, (7) France, (8) Germany (East), (9) Germany (West), (10) Greece, (11) Hungary, (12) Indonesia, (13) Iraq, (14) Italy, (15) Japan, (16) Morocco, (17) Nepal, (18) Pakistan, (19) Poland, (20) Rumania, (21) Sweden, (22) Switzerland, (23) Tunisia, (24) U.S.S.R., (25) Viet Nam, North and (26) Yugoslavia.

agreement of March 1960; it was also agreed, after the annual review in March 1961, to maintain the same ceilings in 1961-62 as in the year under review, in addition to carrying over to the next year the unutilised balances of the previous year, except in the case of ceilings for the import and export of livestock. Agreements were concluded with the U.A.R. (Egyptian region) and Burma for the import of rice within the framework of the existing payments arrangements.

Tariff Commission.—In 1960-61 the Commission conducted 14 tariff enquiries and two major price enquiries (details in Statement 93). The Tariff enquiries were conducted in respect of wood screws, automobile hand tyre inflators, calcium lactate, engineers' steel files, piston assembly, automobile sparking plugs, power and distribution transformers, sheet glass, plywood and tea chests, aluminium, conductors (bare copper, aluminium steel reinforced and all aluminium), ball bearings, cotton textile machinery and bicycles, protection to which industries was to expire on December 31, 1960. The major recommendations of the Commission were accepted by Government of India in full for 13 industries and partially for aluminium. Accordingly, tariff protection to automobile hand tyre inflators, calcium lactate, wood screws and plywood and tea chests, bare copper conductors and electrolytic copper rods was withdrawn from January 1, 1961; protection to ball bearings and sheet glass was extended for a further period of two years and that for aluminium steel reinforced and all aluminium conductors, automobile sparking plugs, piston assembly, engineers' steel files, cotton textile machinery, bicycles and power distribution transformers for three years. Aluminium received protection for a further period of four years and the protective duty was maintained at 35 per cent *ad valorem* though the Commission had recommended its reduction to 25 per cent.

The two main price enquiries conducted by the Commission during the year related to the fixation of prices of raw rubber and of ferro-silicon of different grades produced by the Mysore Iron and Steel Works, Bhadravati. In regard to raw rubber, Government did not accept the Commission's recommendation to reduce the price of R. M. A. Grade I from Rs. 147·50 to Rs. 146 per 100 pounds; the recommendations about the levy of additional cess and expansion of credit facilities for financing planting operations, methods of improving yield, etc. were, however, accepted. The Commission recommended a higher price structure for ferro-silicon in view of the increase in manufacturing costs consequent on the rise in electricity rates since 1953 and this was accepted by Government.

During the year, Government also announced their decision on the Commission's report recommending revision of conversion charges for bars and fair retention price of electric furnace billets produced by Registered Re-rollers from January 1, 1957.

IX CURRENCY AND COINAGE

Currency in circulation recorded a further sharp expansion of Rs. 153·2 crores during 1960-61, which was about the same as in 1959-60 (Rs. 154·6 crores). The rise in circulation of notes was smaller but that in circulation of rupee coin slightly larger than in the preceding year. The rise in circulation of small coin was, however, double that in 1959-60. Over the Second Five Year Plan, currency in circulation rose by Rs. 543 crores as compared to Rs. 208 crores in the First Plan.

Circulation of Notes.—Notes in circulation expanded by Rs. 139·8 crores (7·8 per cent) to Rs. 1,942 crores* as compared to Rs. 143·4 crores (8·6 per cent) in the preceding year. During the Second Five Year Plan, notes in circulation rose by Rs. 518 crores (36·4 per cent) which was more than twice the expansion of Rs. 225 crores (18·7 per cent) in the First Plan period. Over the ten year period, notes in circulation expanded by slightly less than two-thirds (61·7 per cent).

The rise in circulation of notes during 1960-61 † was shared by all denominations except Rs. 10,000. As a *proportion* of total notes in circulation, only three denominations showed increases, viz. Rs. 5, Rs. 10 and Rs. 5,000 notes. The Rs. 100 denomination continued to be the most popular, though its proportion showed a small decline from 45·5 and 45·0 per cent, respectively, in 1958-59 and 1959-60 to 43·2 per cent in 1960-61. In contrast, the second most popular denomination, viz. Rs. 10, increased its share to 40·7 per cent from 39·0 per cent in 1959-60, though it was still lower than that in 1955-56 (41·2 per cent). The share of Rs. 5 notes in total circulation also increased from 9·9 to 10·2 per cent, while that of Rs. 2 notes remained unchanged at 1·9 per cent. The proportion of high denomination notes (issued from April 1954), taken together, to aggregate notes in circulation declined fractionally from 4·2 to 4·1 per cent. The share of Rs. 1,000 notes and Rs. 10,000 notes declined by 0·1 per cent each to 2·7 and 0·6 per cent, respectively; the share of Rs. 5,000 notes, however, moved up from 0·7 to 0·8 per cent. The *amount* of high denomination notes in circulation rose further by Rs. 4·3 crores to Rs. 83 crores. Over the Second Plan period, the circulation of high denomination notes has risen by 15·9 per cent, but its proportion to total note circulation has declined from 4·8 to 4·1 per cent.

Circulation of Rupee Coin.—The circulation of rupee coin (the bulk of which represents one rupee notes) showed a further sharp rise of Rs. 10·5 crores, as compared to Rs. 9·8 crores in 1959-60 and Rs. 4·4 crores in 1958-59. The year's increase was the net result of (i) a rise of Rs. 17·6 crores in the eight months April-May 1960 and October 1960-March 1961 and (ii) a decline of Rs. 7·1 crores in June-September 1960. At the end of 1960-61, the circulation of rupee coin at Rs. 142 crores ‡ repre-

* Net of Rs. 43 crores of Indian notes returned from circulation in Pakistan and awaiting cancellation.

† The denomination-wise data, which were hitherto being given on a calendar-year basis, have now been compiled on a financial-year basis.

‡ Since June 7, 1947, by which date all standard silver rupee coins had ceased to be legal tender, 'rupee coin' circulation in India has comprised (i) Government of India one rupee notes issued from July 1940, (ii) quaternary silver rupees issued between December 1940 and June 1946 and (iii) nickel rupees issued from June 1947. Since June 1946, quaternary silver rupee coins are in the process of being withdrawn. Out of these coins amounting to Rs. 94 crores outstanding on the date of discontinuance of their issue, coins of the value of Rs. 61 crores had been retired upto March 31, 1961.

Note forgeries.—During 1960-61, the total number of forged notes (including Government of India one rupee notes) received by the Bank was 2,394 as compared to 4,574 in 1959-60.

Coinage.—During 1960-61, 793 million pieces of decimal coins (valued at Rs. 5·6 crores) were minted, as compared to 751 million in 1959-60 and 1,052 million in 1958-59. This brought the total mintage of decimal coins since 1956-57 to 4,379 million pieces (valued at Rs. 19·1 crores). As in the preceding five years, there was no coinage of whole rupee during the year under review.

No coinage was undertaken for foreign countries during 1960-61.

During the Second Plan period, the total number of coins minted was 4,448 million (of which 4,415 million were Indian coin and 33 million foreign coin) as compared to 1,088 million (of which 1,021 million were Indian coin and 67 million foreign coin) in the First Plan period.

Withdrawal of Silver, Cupro-nickel and Copper Coins.—During 1960-61, the aggregate value of *uncurrent* coins withdrawn from circulation amounted to Rs. 2·97 crores, and *current* coins to Rs. 2·46 crores, as compared to Rs. 1·74 crores* and Rs. 2·89 crores*, respectively, during 1959-60.

Counterfeit Coins.—The number of counterfeit coins cut at treasuries and railway stations in 1960-61 was 2·6 lakhs, as compared to 5·7 lakhs in 1959-60.

* Revised.

STATEMENTS

In using this Report, the following general information may be noted.

(1) The Indian financial year is from April 1 to March 31. Thus, 1960-61 means the year from April 1, 1960 to March 31, 1961.

(2) The Currency Unit of the Indian Union is the Rupee. With effect from April 1, 1957, India adopted the decimal coinage, the Rupee being divided into 100 equal parts, called 'naya paisa'. The abbreviation for rupees is 'Rs.' and for 'naya paisa' it is 'nP'. A Rupee is equivalent to 21 U.S. cents or 1 sh. 6 d. sterling.

(3) From November 1, 1956 (on which date the States Reorganization Act, 1956 became effective) upto April 30, 1960, the Indian Union consisted of *fourteen* States. Of these, one State namely, the Bombay State was bifurcated on May 1, 1960 into two States namely (i) Maharashtra and (ii) Gujarat, thus bringing the total number of States to *fifteen*. The Federal Government is the Government of India, also called the Central or Union Government.

(4) From October 1, 1960, India adopted the metric system of units and measures. Data in some of the Statements in the Indian Section of the Report are presented in metric units. The conversion factors used for the compilation are indicated below.

1 Fine Ounce	0.0311035	Kilogram
1 Pound	- 0.4535924	„
1 Tola	0.0116638	„
1 Maund	37.3242	Kilograms
1 Ton	- 1.01605	Metric tons or 10.1605 Quintals
1 Yard	- 0.9144	Metre
1 Sq. ft.	0.0929	Sq. Metre

(5) A crore 10 million (Rs. 1 crore is equal to U.S. \$ 2.1 million or £ 750,000 sterling).

A lakh -- one-tenth of one million.

(6) Where necessary, each figure has been rounded off to the nearest final digit. For this reason, there may be in some Tables and Statements an apparent slight discrepancy between the sum of the constituent items and the total as shown.

(7) The following symbols have been used :

- .. Figure is not available.
- Figure is nil or negligible.

(8) A line drawn across a column between two consecutive figures denotes that the figures above and below the line are not comparable. In each case a foot note is added indicating the nature of the difference.

STATEMENT I

INDEX NUMBERS OF MONEY SUPPLY, INDUSTRIAL PRODUCTION AND WHOLESALE PRICES IN SELECTED COUNTRIES

Year and Month	AUSTRALIA		CANADA		FRANCE		GERMANY (WESTERN)		INDIA		JAPAN						
	M	P(a)	M	I	P	M	I	P(c)	M	I(d)	P	M	I	P			
1950	..	82	69	95	83	96	87	78	73	72	85	108	78	105	41	116	70
1955	..	105	102	115	110	99	128	98	125	128	101	120	116	88	120	116	98
1956	..	104	106	114	120	102	141	133	134	137	103	128	126	99	140	144	102
1957	..	109	107	118	120	103	154	144	150	148	105	134	130	104	146	167	105
1958	..	106	105	133	118	103	163	150	170	151	106	138	132	107	164	168	98
1959	..	115	106	129	128	104	182	126	190	162	105	148	144	111	192	208	99
1960	..	115	112	136	130	104	205	130	203	180	107	161	161	118	228	261	101
January 1959	105	102	128	118	104	161	154	127	161	143	105	140	147	108	..	171	97
February	107	104	125	125	105	161	159	126	164	149	105	143	139	109	..	190	98
March	108	106	124	124	105	164	156	125	167	156	105	147	144	108	153	204	98
April	107	107	126	126	105	164	163	125	172	160	105	152	138	108	..	195	98
May	105	106	125	129	105	164	169	126	174	163	105	149	136	110	..	201	98
June	105	106	126	134	105	170	167	124	175	163	105	149	135	111	156	208	98
July	104	107	129	126	105	171	150	125	179	153	105	144	147	112	..	209	98
August	104	108	126	126	105	171	158	126	180	153	105	144	145	113	..	209	99
September	107	107	128	134	105	171	158	127	181	169	105	143	143	112	161	217	100
October	109	107	130	137	104	173	166	129	184	175	106	145	139	115	..	221	101
November	111	106	126	133	104	173	179	129	185	186	106	145	147	114	..	224	101
December	115	107	129	126	104	182	183	130	190	178	106	148	166	113	192	240	101
January 1960	114	108	123	128	104	179	174	131	182	164	106	152	161	114	..	224	101
February	117	108	121	131	104	176	175	131	184	168	106	154	160	115	..	250	101
March	118	109	123	132	104	180	172	129	185	176	106	159	167	114	182	268	101
April	117	111	124	127	105	182	177	130	188	178	106	161	160	116	..	252	100
May	115	112	125	131	105	183	181	132	191	183	106	160	153	118	..	253	100
June	114	115	127	134	105	186	179	129	191	185	106	159	153	118	181	257	100
July	113	116	128	125	105	190	167	128	193	168	107	157	154	120	..	260	100
August	112	117	128	126	104	191	118	128	193	168	107	156	162	120	..	259	101
September	113	116	132	132	104	194	175	129	194	186	107	154	157	120	190	268	101
October	114	114	134	133	104	195	179	130	196	189	107	156	157	121	..	272	102
November	115	112	132	133	104	196	190	131	199	203	108	157	171	121	..	278	102
December	115	111	136	124	104	205	187	132	203	189	108	161	184	120	228	289	102

[For footnotes please see next page.]

REPORT ON CURRENCY AND FINANCE, 1960-61

STATEMENT I — (Contd.)

Year and Month	NETHERLANDS			NEW ZEALAND		UNION OF SOUTH AFRICA			UNITED KINGDOM			UNITED STATES			
	M		I	P(a)		M	P(a)		M	I	P(e)	M	I	P	
1950	83	87	78	92	76	104	103	94	85	90	81	94	
1955	116	118	100	99	104	105	105	112	103	105	106	100	
1956	112	123	105	101	105	107	103	113	107	106	109	104	
1957	109	126	107	103	107	103	103	115	110	106	110	107	
1958	122	127	105	103	108	107	105	113	111	110	102	108	
1959	128	139	110	106	107	111	111	120	112	110	116	109	
1960	136	157	110	103	108	112	112	128	113	110	119	109	
January 1959	122	127	107	104	108	103	103	116	112	108	110	109	
February	122	122	106	108	108	106	100	119	112	107	114	109	
March	123	134	105	107	105	105	101	117	112	105	116	109	
April	124	140	104	107	105	107	101	121	111	108	118	109	
May	126	137	104	110	109	107	101	118	111	107	119	109	
June	127	146	105	111	101	107	103	122	111	107	121	109	
July	127	141	105	105	105	107	106	110	111	108	112	109	
August	128	129	105	107	107	107	107	104	111	107	113	108	
September	126	148	106	108	103	107	107	126	112	107	115	109	
October	125	156	108	109	105	107	109	131	112	108	116	108	
November	127	144	108	111	104	108	109	133	112	109	114	108	
December	128	145	107	115	106	108	111	123	112	110	118	108	
January 1960	126	141	106	113	109	109	111	128	112	109	122	108	
February	126	145	105	120	108	108	107	131	112	106	122	108	
March	126	163	104	118	102	107	106	134	112	104	122	109	
April	129	155	104	124	100	107	108	128	112	107	121	109	
May	133	162	104	122	100	107	107	133	113	104	120	109	
June	134	163	104	122	104	108	108	126	113	104	120	109	
July	134	151	103	121	101	108	110	116	114	106	114	109	
August	135	151	102	122	102	109	109	111	114	105	118	108	
September	134	161	102	119	105	109	109	131	114	105	119	108	
October	134	166	102	120	101	110	108	135	114	107	120	109	
November	135	166	102	122	104	110	108	135	114	107	116	109	
December	136	163	104	131	103	110	112	126	114	110	112	109	

Note : Index numbers of industrial production are not adjusted for seasonal variations.

M = Money Supply ; figures as at the end of period except in the case of Australia where monthly figures are averages of weeks and annual figures relate to last month of the year ; base : end of 1953=100. I = Industrial Production, base : 1953=100. P = Wholesale Prices, base : 1953=100. (a) Home and Import Goods ; in respect of New Zealand, the series have been revised from 1959. (b) Prior to 1953, the note circulation in West Berlin is excluded. (c) Industrial goods. (d) Compiled from the data available in *Monthly Statistics of the Production of Selected Industries of India*. (e) Relates to wholesale prices of industrial output.

Sources : United Nations *Monthly Bulletin of Statistics*, *International Financial Statistics* issued by the I.M.F., *Monthly Digest of Statistics of U.K.*, the *Monthly Report of the Deutsche Bundesbank* and Office of the Economic Adviser to the Government of India.

REPORT ON CURRENCY AND FINANCE, 1960-61

STATEMENT 2

BALANCE OF INTERNATIONAL TRANSACTIONS OF THE UNITED STATES (1957-60)

(Millions of U.S. Dollars)

Item	All Areas				Western Europe		Sterling Area	
	1960	1959	1958	1957	1960	1959	1960	1959
Exports of goods ..	19,409	16,282	16,263	19,390	6,684	4,724	3,697	2,497
Exports of services ..	7,891	7,427	7,062	7,343	2,545	2,392	1,762	1,682
Total ..	27,300	23,709	23,325	26,733	9,229	7,116	5,459	4,179
Imports of goods ..	14,722	15,294	12,951	13,291	4,172	4,517	2,428	2,666
Imports of services ..	8,605	8,243	8,102	7,632	4,315	4,103	1,759	1,658
Total ..	23,327	23,537	21,053	20,923	8,487	8,620	4,187	4,324
Balance of goods and services ..	+ 3,973	+ 172	+ 2,272	+ 5,810	+ 742	- 1,504	(a)	(a)
Military transfers under grants (Net) ..	+ 1,765	+ 1,974	+ 2,281	+ 2,435	+ 913	+ 1,221	(a)	(a)
Balance of goods and services including military transfers ..	+ 5,738	+ 2,146	+ 4,553	+ 8,245	+ 1,655	- 283	+ 1,272	- 145
Unilateral transfers (Net)								
Private ..	- 633	- 575	- 540	- 543	- 303	- 276	- 127	- 118
Government :								
Economic aid ..	- 1,641	- 1,633	- 1,616	- 1,616	- 240	- 311	- 292	- 245
Military aid ..	- 1,765	- 1,974	- 2,281	- 2,435	- 913	- 1,221	(a)	(a)
Other ..	- 215	- 216	- 182	- 159	- 91	- 78	- 21	- 16
United States Capital (Net)								
Private ..	- 3,856	- 2,375	- 2,844	- 3,175	- 1,511	- 477	- 1,091	- 280
Government ..	- 1,109	- 353	- 971	- 958	+ 154	+ 549	- 526	- 46
Foreign Capital (Net)								
Long-term ..	+ 424	+ 1,241	+ 55	+ 309	+ 230	+ 822	+ 111	+ 200
Short-term ..	+ 2,003	+ 2,480	+ 1,171	+ 382	+ 634	+ 1,125	+ 567	+ 203
Gold [Purchases (-) or Sales (+)] ..	+ 1,702	+ 731	+ 2,275	- 798	+ 1,718	+ 829	+ 574	+ 357
Errors and omissions and transfers of funds between foreign areas [receipts by foreign areas (-)], (Net) ..	- 648	+ 528	+ 380	+ 748	- 1,333	- 679	- 467	+ 90

Note : Western Europe includes dependencies of the metropolitan countries. Figures of U.K. and its dependencies are also included in the total for Western Europe. Since sterling area as defined includes U.K. and its dependencies, the figures for sterling area overlap with those for Western Europe to that extent.

(a) Not shown separately.

REPORT ON CURRENCY AND FINANCE, 1960-61

STATEMENT 3

STERLING AREA'S BALANCE OF PAYMENTS (1958-1960)

(£ million)

					1960 (Provisional)	1959	1958
A. Current Transactions							
<i>Imports</i>	..	..	..	..	5,446	4,452	4,285
Of which the U.K.	..	..	..	..	2,670	2,236	2,088
<i>Exports</i>	..	..	..	..	4,436	4,183	3,665
Of which the U.K.	..	..	..	..	2,264	2,144	1,964
<i>Trade Balance</i>	..	..	..	..	- 1,010	- 269	- 620
Of which the U.K.	..	..	..	..	- 406	- 92	- 124
<i>Invisibles (Net)</i>	..	..	..	..	- 336	- 171	- 123
Of which the U.K.	..	..	..	..	- 238	- 123	- 53
R. S. A. Gold Production	..	..	..	+	303	+ 286	+ 253
Current Transactions (Net)	..	..	..	-	1,043	- 154	- 490
Of which the U.K.	..	..	..	-	644	- 215	- 177
B. Capital Transactions : ¹							
<i>(i) On U.K.'s Account :</i>							
(a) Long-term capital	..	..	+	16	- 283	+ 52	
(b) Monetary movements	..	..	+	387	+ 168	- 108	
(Of which movements in gold & convertible currencies)	..	..	(-)	177)	(+ 119)	(- 284)	
<i>(ii) On Rest of Sterling Area's Account</i>	..	..	+	366	+ 215	+ 362	
<i>(iii) Balancing item</i>	..	..	..	+	274	+ 54	+ 184
Capital Transactions (Net)	..	..	..	+	1,043	+ 154	+ 490

¹ Assets : Increase(—) decrease (+)
Liabilities : Increase (+) decrease (—)

REPORT ON CURRENCY AND FINANCE, 1960-61

STATEMENT 4

CHANGES IN CENTRAL BANK DISCOUNT RATES

(Rate per cent)

Country	Date of change	Discount Rate		Difference
		Before change	After change	
1	2	3	4	5
1960				
Austria	March 17, 1960	4.50	5.00	+0.50
Belgium	August 4, 1960	4.00	5.00	+1.00
Ceylon	August 13, 1960	2.50	4.00	+1.50
Cuba	January 1960	5.50	6.00	+0.50
Denmark	January 25, 1960	5.00	5.50	+0.50
El Salvador	January 1960	4.00	5.50	+1.50
France	October 6, 1960	4.00	3.50	-0.50
West Germany	June 3, 1960	4.00	5.00	+1.00
	November 11, 1960	5.00	4.00	-1.00
Greece	April 1960	9.00	7.00	-2.00
	November 1, 1960	7.00	6.00	-1.00
Iceland	February 1960	7.00	11.00	+4.00
	December 1960	11.00	9.00	-2.00
Ireland	January 28, 1960	4.25	4.75	+0.50
	July 1960	4.75	5.50	+0.75
	November 2, 1960	5.50	5.31	-0.19
Japan	August 24, 1960	7.300	6.935	-0.365
Libya	December 7, 1960	5.00	6.00	+1.00
Philippine Republic	May 31, 1960	6.50	6.00	-0.50
	September 1960	6.00	5.75	-0.25
	November 1960	5.75	5.00	-0.75
Rhodesia and Nyasaland	August 3, 1960	4.50	5.00	+0.50
South Africa	August 10, 1960	4.00	4.50	+0.50
Spain	April 11, 1960	5.00	4.60	-0.40
Sweden	January 15, 1960	4.50	5.00	+0.50
United Kingdom	January 21, 1960	4.00	5.00	+1.00
	June 23, 1960	5.00	6.00	+1.00
	October 27, 1960	6.00	5.50	-0.50
	December 8, 1960	5.50	5.00	-0.50
U.S.A. (a)	June 10, 1960	4.00	3.50	-0.50
	August 12, 1960	3.50	3.00	-0.50
Venezuela	October 1960	4.50	6.50	+2.00
	December 1960	6.50	4.50	-2.00
1961				
West Germany	January 20, 1961	4.00	3.50	-0.50
Japan	January 26, 1961	6.935	6.570	-0.365
New Zealand	March 23, 1961	6.00	7.00	+1.00

(a) Relating to Federal Reserve Bank of New York.

Source : Federal Reserve Bulletin and Reuter

REPORT ON CURRENCY AND FINANCE, 1960-61

STATE

MONEY MARKET RATES IN

(Per cent)

Countries	Description	Average of Months									
		1950	1955	1956	1957	1958	1959	1960			
Treasury Bill Rates											
1	Canada(a)	. .	Tender 3 months	..	0.55	1.56	2.90	3.78	2.29	4.80	3.31
2	India (b)	. .	Tender 3 months	..		2.52	2.52	2.46	2.46	2.58	2.64
3	Netherlands	. .	Tender 3 months	..	1.40	0.96	2.38	4.07	3.01	1.85	2.14
4	Union of South Africa(c)	..	Tender 3 months	..	1.00	3.00	3.25	3.25	3.63	3.45	3.60
5	United Kingdom	..	Tender 3 months	..	0.51	3.73	4.93	4.80	4.56	3.37	4.88
6	United States of America	..	Tender 3 months	..	1.22	1.74	2.66	3.26	1.84	3.42	2.94
Other Rates											
7	Belgium (d)	. .	Call Money rate	..	1.25	1.35	1.58	1.78	1.41	1.47	2.80
8	France (e)	..	Call Money rate	..	2.43	3.16	3.19	5.35	6.49	4.07	4.08
9	India (f)	. .	Call Money rate	..	0.58	2.67	3.18	2.25— 4.75	1.12— 4.44	0.75— 3.75	4.29
10	Japan (g)	. .	Call Money rate	..	6.41	7.36	6.57	10.94	9.69	8.36	8.40
11	Netherlands	..	Call Money rate	..	1.07	0.62	1.34	3.29	2.48	1.42	1.53
12	Switzerland	..	Private discount rate		1.50	1.50	1.50	2.50	2.50	2.00	2.00
13	Union of South Africa	..	Commercial over- draft rate	..	5.00	5.63	6.00	6.00	6.29	6.11	..
14	United Kingdom	..	3-month bankers' acceptances	..	0.69	3.75	5.05	4.98	4.75	3.49	5.05
15	„		Call Money rate	..	0.62	2.99	4.01	4.17	4.05	2.75	4.13
16	United States of America	..	Prime 90-day ban- kers' acceptances		1.15	1.72	2.64	3.45	2.04	3.49	3.51
17	West Germany (h)	..	Call Money rate	..	4.20	3.13	4.70	4.08	2.93	2.67	4.54

(a) Beginning 1955, new series. (b) Sales of Treasury Bills to the public remained suspended during the periods (1) December 20, 1949 to September 9, 1952 and (2) April 6, 1956 to July 28, 1958. (c) 6 month bills prior to June 1953. Prior to June 1958, tap rates. (d) Since December 1959 the rate is the weighted average of daily quotations in the recently reorganised Call Money Market. (e) Beginning January 1957, rate shown is on private securities. Previous figures are averages of rates on Government and Private securities. (f) Inter-bank call money rate in Bombay; prior to 1957 data are averages of Friday quotations; subsequent data provide ranges during the period upto April 1960 and weighted averages thereafter. The average for 1960 is based on monthly figures from May 1960 to March 1961. (g) In Tokyo. (h) In Frankfurt.

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MENT 5

SELECTED COUNTRIES

per annum)

1960												
Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	
4.80	4.68	3.87	3.40	2.87	2.87	3.13	2.53	1.89	2.65	3.53	3.53	1
2.46	2.63	2.76	2.77	2.75	2.75	2.75	2.64	2.54	2.56	2.57	2.54	2
2.53	2.48	2.33	2.25	2.30	2.49	2.19	2.05	2.00	1.96	1.57	1.51	3
3.37	3.48	3.46	3.50	3.53	3.57	3.69	3.78	3.66	3.56	3.73	3.84	4
4.05	4.55	4.59	4.65	4.58	4.89	5.58	5.58	5.53	5.36	4.74	4.44	5
4.44	3.95	3.44	3.24	3.39	2.64	2.40	2.29	2.49	2.43	2.38	2.27	6
2.19	2.08	1.95	1.75	2.19	2.58	3.23	4.03	4.14	3.92	2.81	2.67	7
3.90	4.11	4.17	4.22	4.25	4.15	4.53	4.05	4.15	3.99	3.76	3.70	8
3.50	3.50	3.50— 4.00	3.50— 4.12	3.50	3.50	3.52	3.51	3.51	4.11	4.20	4.18	9
8.40	8.40	8.40	8.40	8.40	8.40	8.40	8.40	8.40	8.40	8.40	8.40	10
1.50	1.54	1.65	1.75	1.54	1.75	1.64	1.56	1.50	1.64	1.14	1.13	11
2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	12
6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.21	..	..	..	..	13
4.14	4.69	4.74	4.80	4.76	5.04	5.76	5.75	5.71	5.62	4.98	4.64	14
3.07	3.78	3.91	3.67	3.87	3.98	4.67	4.79	4.85	4.79	4.30	3.88	15
4.78	4.44	3.96	3.88	3.78	3.28	3.13	3.04	3.00	3.00	3.00	2.92	16
3.83	3.91	4.28	3.99	3.94	4.94	4.89	4.91	5.27	5.42	4.82	4.28	17

Sources: United Nations Monthly Bulletin of Statistics, International Financial Statistics, Japanese Economic Statistics (Japanese Government), Federal Reserve Bulletin and Quarterly Bulletin of Statistics of South African Reserve Bank.

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STATEMENT 6

WORLD GOLD PRODUCTION

(Thousands of fine ounces)

COUNTRIES		1950	1955	1956	1957	1958	1959	1960 (a)	Percentage increase (+) or decrease (-) of 1960 over 1959
I.	British Commonwealth	18,760	21,926	22,994	24,331	25,187	27,574(a)	28,991	+ 5.1
	(i) Union of South Africa	11,664	14,601	15,897	17,031	17,656	20,066	21,386	+ 6.6
	(ii) Canada	4,441	4,542	4,384	4,434	4,571	4,483	4,602	+ 2.7
	(iii) Australia	861	1,049	1,030	1,084	1,104	1,085	1,100	+ 1.4
	(iv) Ghana	689	687	638	790	853	913	893	- 2.2
	(v) Southern Rhodesia	511	525	535	537	555	567	560	- 1.2
	(vi) India	197	211	209	179	170	165	161	- 2.4
	(vii) New Zealand	77	26	26	30	25	37	35	- 5.4
	(viii) Others	320	285	275	246	253	258(a)	254	- 1.6
II.	Latin American Countries								
	(i) Colombia	379	381	438	325	372	398	450	+ 13.1
	(ii) Mexico	408	383	350	346	332	314	320	+ 1.9
	(iii) Brazil	163	145	162	151	140	125(a)	120	- 4.0
	(iv) Peru	148	171	167	162	159	150	150	—
	(v) Chile	190	123	94	104	111	76	60	- 21.1
III.	United States of America	2,289	1,877	1,865	1,800	1,759	1,635	1,500	- 8.3
IV.	All Countries (b)	24,560	27,200	28,300	29,400	30,300	32,500(a)	33,900	+ 4.3
	British Commonwealth :								
	Percentage	76.4	80.6	81.3	82.8	83.1	84.8	85.5	
	Union of South Africa :								
	Percentage	47.5	53.7	56.2	57.9	58.3	61.7	63.1	

(a) Estimated or provisional figure.

(b) Excludes gold production of the U.S.S.R.

Source: Union Corporation Ltd., South Africa and Geological Survey of India.

STATEMENT 7

WORLD SILVER PRODUCTION (a)

(Millions of ounces)

COUNTRIES		1950	1955	1956	1957	1958	1959	1960	Percentage increase (+) or decrease (-) of 1960 over 1959
	Mexico	49.1	48.0	43.1	47.1	47.6	44.1	44.0	- 0.2
	United States of America	42.3	36.5	38.7	38.7	36.8	23.0	39.0	+ 69.6
	Canada	23.2	28.0	28.4	28.8	31.2	31.9	32.5	+ 1.9
	Peru	13.4	22.9	23.0	24.8	25.9	24.8	25.0	+ 0.8
	Bolivia	6.6	5.9	7.5	5.4	6.1	4.5	5.0	+ 11.1
	Other South and Central American Countries	7.0	6.2	7.1	6.9	7.2	6.9	7.0	+ 1.4
	Total Western Hemisphere	141.6	147.5	147.8	151.7	154.8	135.2	152.5	+ 12.8
	Outside the Western Hemisphere	57.0	50.9	45.2	46.3	50.9	48.8	50.0	+ 2.5
	India	0.016(b)	0.132	0.105	0.126	0.110	0.125	0.133	+ 6.4
	World Production	198.6	198.4	193.0	198.0	205.7	184.0	202.5	+ 10.1

(a) Excluding Communist dominated areas.

(b) Excludes figures for Rajasthan.

Source: Handy and Harman and Geological Survey of India.

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STATEMENT 8

PRICES (a) (SPOT) OF SILVER IN LONDON AND NEW YORK

(Per fine ounce)

Year/Month		London				New York			
		Highest	Lowest	Average(b)		Highest	Lowest	Average(b)	
		d.	d.	d.	Rs.	cents	cents	cents	Rs.
		1	2	3	4	5	6	7	8
1950	.. ..	70.00	63.00	64.80	3.60	80.00	71.75	74.17	3.53
1955	.. ..	80.25	73.75	77.51	4.31	92.00	85.25	89.10	4.24
1956	.. ..	81.38	76.63	79.13	4.40	91.63	90.00	90.83	4.33
1957	.. ..	80.50	77.13	78.93	4.39	91.38	89.63	90.82	4.32
1958	.. ..	78.75	74.75	76.21	4.23	90.38	88.63	89.04	4.24
1959	.. ..	80.25	75.88	78.82	4.38	91.63	89.88	91.20	4.34
1960	.. ..	80.25	79.00	79.38	4.41	91.37	91.37	91.37	4.35
January	1960	80.25	79.50	79.96	4.44	91.37	91.37	91.37	4.35
February	.. ..	79.50	79.50	79.50	4.42	91.37	91.37	91.37	4.35
March	.. ..	79.50	79.00	79.26	4.40	91.37	91.37	91.37	4.35
April	.. ..	79.25	79.00	79.05	4.39	91.37	91.37	91.37	4.35
May	.. ..	79.38	79.25	79.34	4.41	91.37	91.37	91.37	4.35
June	.. ..	79.25	79.25	79.25	4.40	91.37	91.37	91.37	4.35
July	.. ..	79.25	79.25	79.25	4.40	91.37	91.37	91.37	4.35
August	.. ..	79.25	79.25	79.25	4.40	91.37	91.37	91.37	4.35
September	.. ..	79.25	79.25	79.25	4.40	91.37	91.37	91.37	4.35
October	.. ..	79.50	79.25	79.49	4.42	91.37	91.37	91.37	4.35
November	.. ..	79.50	79.50	79.50	4.42	91.37	91.37	91.37	4.35
December	.. ..	79.50	79.38	79.47	4.42	91.37	91.37	91.37	4.35

Note: The rupee equivalent of average prices shown in columns 4 and 8 have been computed on the basis of the official exchange rates of 1*sh.* 6*d.* and 21 U.S. *cents* per rupee.

(a) Closing prices. (b) Average of working days.

Source: *Handy and Harman* for annual data; monthly figures are based on the quotations supplied by the Press Trust of India Ltd.

REPORT ON CURRENCY AND FINANCE, 1960-61

STATEMENT 9 SELECTED ECONOMIC INDICATORS - INDIA

Item	Unit Base	1960										1961		
		March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	March
I. Production and Prices														
1. Industrial Production Index														
(i) Seasonally adjusted ..	1951=100	170.0	169.7	161.5	167.2	162.2	173.0	168.9	174.8	183.9	182.3	183.9	179.8	186.3
(ii) Unadjusted ..	"	176.3	168.9	161.2	161.4	163.1	171.0	165.9	166.0	177.9	194.1	190.6	181.5	193.3
2. Wholesale Price Index														
(i) All commodities ..	1952-53=100	118.9	120.4	122.8	122.9	124.7	125.0	125.3	126.3	126.0	124.6	125.6	126.7	127.5
(ii) Food Articles ..	"	117.0	118.6	120.0	120.3	124.0	123.9	123.9	121.8	120.2	117.0	116.4	116.3	117.5
3. Consumer Price Index (All-India) ..														
(i) All-India ..	1949=100	121	122	123	124	126	126	125	125	124	124	123	123	124
4. Security Price Index														
(i) Government and semi-Government Securities	1952-53=100	101.3	101.3	101.2	101.1	101.2	101.2	101.2	101.0	100.6	100.7	100.7	100.8	100.9
(ii) Variable Dividend Industrial Securities	"	165.0	166.5	173.4	175.3	178.1	179.8	173.6	166.1	169.6	167.0	164.9	169.4	179.4
5. Bullion Prices (Bombay:Spot)														
(i) Gold .. Rs. per 10gms.		112.12	113.61	113.25	108.10	111.45	113.92	115.70	114.32	115.33	114.33	117.87	121.38	121.80
(ii) Silver .. Rs. per kilogram		186.23	187.65	188.34	182.57	187.75	190.96	193.14	192.25	195.40	194.73	202.54	207.10	204.31
II. Labour Statistics														
6. Number of man-days lost through industrial disputes ..	000's	470	332	415	390	749	70	243	205	211	282	206	270	279
7. Number of applicants ..														
(i) Placed in employment	"	22	21	26	28	29	30	25	26	26	28	27	28	28
(ii) On live register	"	1,388	1,406	1,424	1,462	1,564	1,588	1,585	1,594	1,583	1,606	1,610	1,596	1,561
III. Money and Banking														
8. Money Supply with the public(a) ..	Crores of Rs.	2,703	2,746	2,725	2,702	2,671	2,659	2,631	2,661	2,669 (2,576)	2,737 (2,642)	2,793 (2,698)	2,817 (2,722)	2,902 (2,794)
9. Reserve Bank of India:														
(i) Central Government's deposits	"	63.1	50.6	52.0	62.4	67.0	62.7	63.3	65.4	67.4	70.0	53.0	61.0	76.5
(ii) State Government's deposits	"	43.0	45.3	34.5	18.4	22.6	28.5	18.5	24.2	10.3	9.9	21.5	18.4	29.0

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(iii) Investments ..	1,694.5	1,738.9	1,742.0	1,717.0	1,710.4	1,676.9	1,654.1	1,695.5	1,706.2	1,697.5	1,714.9	1,735.9	1,813.2
(iv) Other loans and advances ..	156.5	114.5	108.4	121.6	112.3	111.0	130.6	115.9	114.5	159.9	140.3	147.6	185.5
10. Foreign Exchange Reserves ..	362.9	354.0	339.1	327.0	320.2	310.8	307.8	312.2	322.3	319.1	316.8	320.9	303.6
11. Scheduled Banks: (i) Demand liabilities (b) ..	781.3	771.0	769.3	772.4	774.9	781.3	756.9	778.4	771.7	781.1	788.0	795.1	817.5
									(724.6)	(733.6)	(745.3)	(750.9)	(761.8)
(ii) Time liabilities(b) ..	1,120.7	1,158.6	1,174.8	1,192.3	1,187.6	1,190.7	1,161.3	1,128.0	1,124.1	1,112.0	1,085.6	1,078.1	1,063.1
									(1,108.5)	(1,094.9)	(1,070.5)	(1,063.2)	(1,048.8)
(iii) Bank credit (c) ..	1,127.9	1,130.4	1,123.8	1,124.2	1,121.7	1,102.9	1,135.8	1,110.1	1,107.0	1,181.0	1,227.5	1,266.9	1,336.3
									(1,098.4)	(1,171.1)	(1,213.9)	(1,254.4)	(1,319.5)
(iv) Investments in Government Securities ..	714.7	741.6	744.9	739.7	723.9	745.9	722.5	689.3	684.8	633.5	609.8	584.6	558.6
" Cash reserves ..	152.9	140.4	142.8	155.6	163.4	156.9	153.8	144.6	136.4	161.8	123.0	118.2	116.6
(v) Debts to current deposit accounts(a) ..	1,879.9	1,948.6	1,886.4	1,869.8	1,898.3	1,827.6	1,829.8	1,992.0	2,016.0	1,968.0			
12. Inter-bank call money rate (Bombay) (c) ..	3½-4	3½-4½	3.50	3.50	3.50	3.52	3.51	4.11	4.20	4.18	5.18	5.26	5.26
13. Yield on 3 per cent Conversion loan of 1986 or later (f) ..	4.07	4.07	4.09	4.10	4.07	4.07	4.05	4.07	4.04	4.04	4.03	4.05	4.05
IV. Government Debt													
14. Rupee debt of the Government of India													
(i) Rupee loans(g) ..	2,438.2	2,443.8	2,445.4	2,447.2	2,497.9	2,517.7	2,519.1	2,519.9	2,516.4	2,517.0	2,567.3	2,569.5	2,571.3
(ii) Treasury Bills out standings	1,297.6	1,262.1	1,293.6	1,275.9	1,181.5	1,149.5	1,122.0	1,141.1	1,144.7	1,109.2	1,053.1	1,029.3	1,106.3
V. Trade													
15. Imports (value) ..	96.3	98.5	92.9	94.6	83.3	90.8	87.4	72.9	68.9	75.0	83.9	73.5	81.4
16. Exports (value) ..	52.9	46.6	49.8	47.1	46.0	55.3	51.0	55.5	62.0	69.9	54.3	53.4	57.4
17. Net balance of trade	-43.4	-51.9	-43.1	-47.5	-37.3	-35.5	-36.5	-17.3	-7.0	-5.0	-29.5	-20.1	-24.1
18. Import price index 1958=100	97	103	103	90	97	96	97	94	100	98	100	100	100
19. Import price index	109	110	109	106	109	112	110	111	110	113	110	116	116
20. Terms of trade (h) ..	112	107	106	118	112	117	113	118	110	115	110	116	116
21. Import volume index	108	110	111	130	105	119	107	107	95	105	115	101	101
22. Export volume index	101	91	95	95	90	104	99	104	115	127	102	95	95
23. Number of wagons loaded													
(i) Broad Gauge	554	518	499	479	444	487	484	519	537	561	557	517	562
(ii) Metre Gauge	338	316	291	276	248	273	264	277	307	337	344	315	345

Note:—Figures for all the items relate to the month except those of items 7(ii), 10 and 14 which relate to end of period and those of items 8, 9 and 11 which relate to last Friday.

(a) Figures in brackets are based on net demand deposits of scheduled banks. (b) Exclude Inter-bank borrowings. Figures in brackets exclude Inter-bank deposits also. (c) Comprising advances and bills purchased and discounted. Figures in brackets are exclusive of due from banks. (d) Relate to Business and Industrial; include debits to cash credits and overdrafts (e) Data relate to local head offices of the banks and are exclusive of brokerage and provide ranges during March and April 1960; subsequent data give weighted averages. (f) Running yield. (g) Includes the Hyderabad loans taken over by the Government of India under the States Reorganization Act 1956 and prize Bonds issued from April 1960. (h) Ratio of Export Price Index to Import Price Index.

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STATEMENT 10 (a) POPULATION CENSUS 1961

	Population (In Millions)			Percentage variation of 1961 over 1951			Density (No. of persons per square mile)	Sex Ratio (Females per 1,000 males)	Literacy Rate (per 1,000)
	Total	Rural	Urban	Total	Rural	Urban			
	1	2	3	4	5	6	7	8	9
Andhra Pradesh ..	35.98	29.72 (82.60)	6.26 (17.40)	+ 15.63	+ 15.73	+ 15.13	339	979	208
Assam ..	11.86	10.97 (92.50)	0.89 (7.50)	+ 34.30	+ 30.30	+ 116.69	252	877	258
Bihar ..	46.46	42.54 (91.57)	3.92 (8.43)	+ 19.78	+ 17.66	+ 49.08	691	991	182
Gujarat ..	20.62	15.34 (74.39)	5.28 (25.61)	+ 26.80	+ 29.62	+ 19.25	286	939	303
Jammu & Kashmir ..	3.58	2.98 (83.20)	0.60 (16.80)	+ 9.73	..	..	..	883	107
Kerala ..	16.88	14.34 (84.97)	2.54 (15.03)	+ 24.55	+ 21.85	+ 42.44	1,125	1,022	462
Madhya Pradesh ..	32.39	27.77 (85.71)	4.63 (14.29)	+ 24.25	+ 21.04	+ 47.76	189	952	169
Madras ..	33.65	24.66 (73.28)	8.99 (26.72)	+ 11.73	+ 8.14	+ 22.91	671	989	302
Maharashtra ..	39.50	28.48 (72.08)	11.03 (27.92)	+ 23.44	+ 25.00	+ 19.59	332	935	297
Mysore ..	23.55	18.36 (77.97)	5.19 (22.03)	+ 21.36	+ 22.84	+ 16.41	318	959	253
Orissa ..	17.57	16.45 (93.67)	1.11 (6.33)	+ 19.94	+ 17.10	+ 87.02	292	1,002	215
Punjab ..	20.30	16.22 (79.90)	4.08 (20.10)	+ 25.80	+ 24.11	+ 33.02	431	868	237
Rajasthan ..	20.15	16.91 (83.95)	3.23 (16.05)	+ 26.14	+ 29.95	+ 9.40	152	908	147
Uttar Pradesh ..	73.75	64.28 (87.15)	9.48 (12.85)	+ 16.67	+ 17.75	+ 9.86	650	908	175
West Bengal ..	34.97	26.87 (76.85)	8.10 (23.15)	+ 32.94	+ 34.22	+ 28.88	1,031	879	291
Union Territories									
Andaman and Nicobar Islands ..	63,438(b)	49,339(b) (77.78)	14,099(b) (22.22)	+ 104.83	+ 114.92	+ 75.93	20	616	336
Delhi ..	2.64	0.30 (11.35)	2.34 (88.65)	+ 51.60	- 2.26	+ 63.11	4,614	786	510
Himachal Pradesh ..	1.35	1.29 (95.27)	0.06 (4.73)	+ 21.59	+ 20.77	+ 41.34	124	925	146
Laccadive, Minicoy and Amiridiri Islands ..	24,108(b)	24,108(b) (100.0)	—	+ 14.61	+ 14.61	—	2,192	1,021	233
Tripura ..	1.14	1.04 (90.99)	0.10 (9.01)	+ 78.63	+ 74.33	+ 141.39	283	931	222
ALL INDIA ..	436.42(c)	358.58(c) (82.16)	77.84(c) (17.84)	+ 21.49	+ 21.93	+ 24.85	384(d)	940	237

Note:—Figures in brackets are percentages to totals.

(a) Figures are purely provisional. (b) Actuals. (c) Excludes the population of Manipur, N.E.F.A. and N.H.T. (Naga Land) as the enumeration has not been completed in these areas. (d) In working out the density of population in India the area and population of Jammu and Kashmir State have not been taken into consideration.

Source: 1961 Census, Provisional Population Totals, published by the Office of the Registrar General.

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STATEMENT II

NATIONAL INCOME BY INDUSTRIAL ORIGIN

(In Rs. Abja) (a)

	1950-51	1955-56	1956-57	1957-58	1958-59	1959-60(b)
A. AT CURRENT PRICES						
<i>Agriculture :</i>						
1. Agriculture, animal husbandry and ancillary activities	47.8	43.9	53.8	51.3	60.8	60.3
2. Forestry	0.7	0.7	0.8	0.8	0.9	1.0
3. Fishery	0.4	0.6	0.6	0.7	0.7	0.5
4. Total of agriculture	48.9	45.2	55.2	52.8	62.4	61.8
<i>Mining, manufacturing and small enterprises :</i>						
5. Mining	0.7	1.0	1.2	1.4	1.4	1.4
6. Factory establishments	5.5	7.8	9.0	9.8	10.0	11.2
7. Small enterprises	9.1	9.7	9.8	10.0	10.3	10.4
8. Total of mining, manufacturing and small enterprises	15.3	18.5	20.0	21.2	21.7	23.0
<i>Commerce, transport and communications :</i>						
9. Communication (post, telegraph and telephone)	0.4	0.5	0.5	0.5	0.6	0.6
10. Railways	1.8	2.5	2.8	3.2	3.3	3.3
11. Organised banking and insurance	0.7	0.9	1.1	1.2	1.3	1.4
12. Other commerce and transport	14.0	14.9	15.2	15.8	16.3	16.5
13. Total of commerce, transport and communications	16.9	18.8	19.6	20.7	21.5	21.8
<i>Other Services :</i>						
14. Professions and liberal arts	4.7	5.6	5.8	6.2	6.6	6.9
15. Government services (administration)	4.3	5.7	6.1	6.6	7.3	8.1
16. Domestic service	1.3	1.4	1.5	1.6	1.7	1.8
17. House property	4.1	4.6	4.8	4.9	5.0	5.2
18. Total of other services	14.4	17.3	18.2	19.3	20.6	22.0
19. Net domestic product at factor cost	95.5	99.8	113.0	114.0	126.2	128.6
20. Net earned income from abroad	-0.2	0.0	0.1	-0.1	-0.2	-0.2
21. Net National output at factor cost = National Income	95.3	99.8	113.1	113.9	126.0	128.4

B. AT 1948-49 PRICES

1. Agriculture, animal husbandry and ancillary activities (c)	43.4	50.2	52.5	50.1	55.6	54.0
2. Mining, manufacturing and small enterprises	14.8	17.6	18.4	18.6	18.8	19.7
3. Commerce, transport and communications	16.6	19.7	20.8	21.1	21.9	22.5
4. Other services (d)	13.9	17.3	18.2	19.2	20.4	21.6
5. Net domestic product at factor cost	88.7	104.8	109.9	109.0	116.7	117.8
6. Net earned income from abroad	-0.2	0.0	0.1	-0.1	-0.2	-0.2
7. Net national output at factor cost = national income	88.5	104.8	110.0	108.9	116.5	117.6

(a) Abja = 100 crores. (b) Preliminary. (c) Including forestry and fishery. (d) Comprising professions and liberal arts, Government services (administration), domestic service and house property.

Source : Estimates of National Income issued by the Central Statistical Organisation, Government of India.

AREA AND PRODUCTION

Commodities	1950-51(a)		1955-56	
	Area (Acres)	Production (Tons)	Area (Acres)	Production (Tons)
FOODGRAINS				
Cereals				
1. Rice	75,414	23,170	77,891	27,122
2. Wheat	24,114	6,290	30,559	8,622
3. Jowar	38,335	5,777	42,903	6,619
4. Bajra	22,881	2,790	28,018	3,374
5. Maize	8,061	2,014	9,132	2,561
6. Ragi	5,450	1,520	5,701	1,817
7. Barley	7,860	2,215	8,447	2,771
8. Small Millets	13,382	2,242	13,184	2,037
Total Cereals	195,497	46,018	215,835	54,923
Pulses				
9. Gram	20,497	3,667	24,166	5,332
10. Other pulses	29,336	4,363	33,202	5,539
Total Pulses	49,833	8,030	57,368	10,871
Total Foodgrains (Cereals & Pulses)	245,330	54,048	273,203	65,794
NON-FOODGRAINS				
11. Sugar (Raw)	4,217	5,615	4,564	5,979
12. Oilseeds	26,508	5,076	29,863	5,643
(i) Groundnut (Nuts in Shell)	11,106	3,426	12,685	3,801
(ii) Rape and Mustard	5,118	750	6,316	846
(iii) Sesamum	5,445	438	5,667	460
(iv) Linseed	3,467	361	3,777	413
(v) Castorseed	1,372	101	1,418	123
13. Cotton (Lint) (b)	14,536	2,910	19,981	3,998
14. Jute(c)	1,411	3,283	1,739	4,198
15. Mesta (c) .. .. .	..	..	571	1,153
16. Silk (Raw) (d) (e) .. .. .	..	2,629	..	3,081
17. Tea (e)	777	607,318	780	627,669
18. Coffee (e)	224	54,322	249	75,784
19. Rubber (e)	144	31,829	174	49,540
20. Tobacco	883	257	1,013	298
21. Lac (f) .. .. .	..	1,073	..	1,248

Note.—(1) Figures relate to the agricultural year ending June. Items 16, 17 and 19 refer to the Calendar year i.e. figures for 1950-51 relate to 1950 and so on. Item 21 refers to the financial year. (2) Data in respect of rubber for 1955 and 1956 are based on data collected by the State authorities from rubber planters while those from 1957 onward include data supplied by the Indian Rubber Board also. (3) Figures for 1957-58 and 1958-59 are partially revised estimates while those for 1959-60 are final estimates. The available partially revised estimates for 1959-60 are shown in brackets. These figures are subject to revisions.

REPORT ON CURRENCY AND FINANCE, 1960-61

MENT 12

OF AGRICULTURAL COMMODITIES

(000' s omitted)

1956-57		1957-58		1958-59		1959-60	
Area (Acres)	Production (Tons)	Area (Acres)	Production (Tons)	Area (Acres)	Production (Tons)	Area (Acres)	Production (Tons)
79,759	28,578	79,447	24,885	81,437	30,354	81,343 (82,829)	29,338 (30,963)
33,419	9,254	29,300	7,741	31,141	9,772	31,508 (32,542)	9,734 (10,089)
40,124	7,211	42,203	8,246	42,584	8,714	41,602 (42,158)	7,866 (8,004)
27,802	2,828	27,236	3,522	27,999	3,789	26,699	3,484
9,287	3,029	9,819	3,036	10,457	3,381	10,457 (10,706)	3,615 (4,006)
5,631	1,765	5,731	1,665	6,192	1,877	6,211 (5,964)	1,860 (1,904)
8,693	2,818	7,549	2,238	8,243	2,672	8,220 (8,345)	2,605 (2,674)
12,295	1,900	11,848	1,671	12,417	2,072	12,340	2,012
217,010	57,383	213,133	53,004	220,470	62,631	218,380	60,514
23,905	6,133	22,862	4,979	24,865	6,881	25,046	5,390
33,712	5,236	32,616	4,528	34,520	5,991	34,706	5,846
57,617	11,369	55,478	9,507	59,385	12,872	59,752	11,236
274,627	68,752	268,611	62,511	279,855	75,503	278,132	71,750
5,066	6,847	5,080	6,871	4,803	7,113	5,178 (5,220)	7,579 (7,671)
30,875	6,263	30,339	6,051	31,264	6,907	33,081	6,352
13,671	4,300	14,876	4,436	14,575	4,812	15,305 (14,864)	4,390 (3,942)
6,274	1,026	5,979	923	6,021	1,025	7,167	1,037
5,368	431	5,171	354	5,500	511	5,510	392
4,157	384	3,129	249	3,965	447	3,921	425
1,405	122	1,184	89	1,203	112	1,178 (1,168)	108 (106)
19,816	4,707	19,996	4,739	19,926	4,686	19,252	3,835
1,908	4,289	1,742	4,052	1,811	5,158	1,707 (1,685)	4,548 (4,605)
734	1,471	764	1,291	825	1,488	706 (704)	1,098 (1,118)
..	2,974	..	3,184	..	..	..	..
781	686,499	793	677,567	795(g)	699,200(g)	..	..
232	78,860	244	88,770	267(g)	93,035(g)	..	..
191(g)	51,833(g)	219(g)	47,490(g)	285(g)	54,306(g)	303(g)	52,422(g)
1,035	300	872	237	897	261	934	281
..	1,315	..	1,141	..	..	..	..

(a) Data regarding foodgrains relate to 1949-50 which was the base year in respect of foodgrains for the First Five Year Plan. (b) Production is in bales of 392 lbs. (c) Production is in bales of 400 lbs. (d) Figures supplied by the Central Silk Board. (e) Production is in lbs (f) Production is in maunds (g) Provisional.

Source Ministry of Food and Agriculture.

STATEMENT 13

INDEX NUMBERS OF AGRICULTURAL PRODUCTION

(Agricultural year ended June 1950=100)

Commodities/Groups	Weight	1950-51	1955-56	1956-57	1957-58	1958-59	1959-60
Rice	35.3	87.9	114.2	120.4	104.8	127.6	123.3
Wheat	8.5	101.1	131.3	140.7	116.5	147.1	146.5
Jowar	5.0	89.8	96.7	105.3	120.4	127.2	114.8
Bajra	2.7	83.8	108.3	90.1	112.2	120.7	111.0
Maize	2.1	84.4	112.3	132.8	133.1	134.3	143.6
Total Cereals	58.3	90.3	114.9	120.5	108.5	129.3	125.3
Gram	3.7	98.0	138.9	159.8	129.7	179.1	140.3
Total Pulses	8.6	91.7	118.4	122.9	104.2	135.2	117.2
Total Foodgrains	66.9	90.5	115.3	120.8	107.9	130.1	124.3
Groundnut	5.7	101.4	112.4	127.2	131.5	142.7	130.2
Total Oilseeds	9.9	98.5	108.6	120.3	115.6	133.4	122.5
Cotton	2.8	110.7	153.9	181.2	179.7	178.0	145.7
Jute	1.4	106.3	135.8	138.7	131.0	158.6	139.8
Mesta	0.3	100.0	174.7	221.5	194.4	224.1	165.4
Total Fibres	4.5	108.6	149.7	170.7	165.5	175.0	145.2
Tea	3.3	103.8	107.2	108.7	116.9	122.9(a)	124.0(a)
Coffee	0.2	112.3	196.1	204.1	229.8	241.2(a)	245.7(a)
Rubber	0.1	93.8	146.1	143.4	140.1	143.4(a)	137.9(a)
Total Plantation Crops	3.6	104.0	113.2	115.0	123.8	130.0	131.1
Sugarcane	8.7	113.7	119.8	137.2	134.7	139.4	148.5
Tobacco	1.9	97.3	112.9	113.7	89.8	99.7(b)	102.4(a)
Total Miscellaneous	15.1	110.3	120.1	129.2	126.1	129.0	136.9
Total Non-Foodgrains	33.1	105.9	119.9	130.6	128.1	136.7	133.1
All Commodities	100.0	95.6	116.8	124.0	114.6	132.3	127.2

Note :—The indices for 1957-58 and 1958-59 are generally based on partially revised estimates while those for 1959-60 are generally based on final estimates. The indices for these years are, therefore, subject to revision.

(a) Based on provisional estimates. (b) Based on final estimates.

Source : Ministry of Food and Agriculture.

STATEMENT 14

EMPLOYMENT EXCHANGE STATISTICS

Period	No. of exchanges at the end of the period	No. of registrations during the period	No. of applicants placed in employment during the period	No. of applicants on live registers at the end of the period	No. of employers using the exchanges during the period (a)	No. of vacancies notified during the period
	1	2	3	4	5	6
1956	123	1,210,358	331,193	330,743	5,566	419,307
1955	136	1,584,024	169,735	691,958	4,880	280,523
1956	143	1,669,895	189,855	758,503	5,436	296,618
1957	181	1,774,668	192,831	922,099	5,632	297,188
1958	212	2,203,888	233,320	1,183,299	6,485	364,884
1959	244	2,471,596	271,131	1,420,901	7,470	424,393
1960	296	2,732,548	305,553	1,606,242	8,807	520,330
January 1960	253	193,515	22,106	1,425,589	7,633	33,214
February	258	175,591	22,256	1,400,965	7,635	32,959
March	270	185,310	22,430	1,387,525	7,832	35,757
April	274	210,341	21,052	1,405,510	8,332	43,603
May	274	214,528	26,113	1,423,700	8,527	48,104
June	276	260,270	28,422	1,461,925	8,953	41,456
July	276	310,825	28,869	1,563,562	9,209	51,303
August	276	254,602	30,011	1,587,851	9,475	45,124
September	276	222,196	24,718	1,584,868	9,111	47,147
October	279	227,802	25,536	1,594,347	9,499	45,815
November	281	234,028	25,624	1,582,530	9,916	47,550
December	296	243,540	28,416	1,606,242	9,560	48,298
January 1961	299	223,822	27,471	1,609,736	9,353	48,236
February	305	199,927	28,044	1,596,017	9,309	48,271
March	307	220,830	27,794	1,561,166	9,551	55,274

(a) Annual figures are averages of months.

Source : Indian Labour Journal and Ministry of Labour and Employment.

A. INDUSTRIAL PRODUCTION

Industry	Unit	1955	1956	1957	1958	1959	1960	Target for the Second Five Year Plan (1960-61)
1. Coal	000 Metric tons	3,88,21	4,00,65	4,41,98	4,60,64	4,77,83	5,26,08	6,09,63
2. Iron ore	"	43,28	43,16	46,94	58,04	78,52	1,06,44	1,27,01
3. Sugar (a)	"	16,20	18,86	20,40	20,40	19,50	24,85	22,86
4. Tea	00,000 kgs.	30,32	30,26	30,54	32,39	32,39	31,49	31,75
5. Salt	00,000 Quintals	3,03	3,32	3,68	4,20	3,18	3,44	3,73
6. Vegetable oil products (Vanaspoti)	000 Quintals	26,50	25,97	30,62	29,99	32,19	33,77	40,64
7. Cigarettes	00,00,000's	22,83	26,30	28,89	29,84	32,17	38,33	..
8. Cotton Textiles—								
(a) Yarn	00,000 kgs.	73,95	75,80	80,74	76,45	78,15	78,79	88,45
(b) Cloth	00,000 Metres	4,65,84	4,85,23	4,86,22	4,50,52	4,50,38	4,61,62	4,89,20
9. Jute Textiles (b)—								
(a) Hessian(c)	000 Metric tons	4,08	4,22	4,21	4,13	4,66	4,30	11,18
(b) Sacking	000 Metric tons	5,84	6,16	5,57	5,93	5,12	5,50	
10. Footwear (Leather)	00,000 Pairs	55	65	74	76	82	92	10,20
11. Paper and paper boards	000 Metric tons	1,88	1,97	2,14	2,57	2,99	3,45	3,56
12. Footwear (Rubber)	00,000 Pairs	3,49	3,61	3,70	3,67	3,92	4,46	..
13. Tyres(d)	000's	8,82	9,38	9,90	10,06	11,39	13,61	14,60
14. Sulphuric acid	000 Metric tons	1,69	1,68	1,99	2,30	2,97	3,60	4,78
15. Caustic soda	000 Metric tons	35	40	43	58	70	99	1,37
16. Bleaching powder	Metric tons	2,743	4,731	5,426	6,608	5,184	5,928	..
17. Ammonium sulphate	000 Metric tons	3,99	3,95	3,86	3,90	3,85	3,88	2,95(e)
18. Paints and varnishes	000 Metric tons	40	42	43	49	55	51	61
19. Matches(f)	000 Cases (g)	6,16	6,16	5,78	6,26	6,49	6,61	7,00
20. Soap (h)	000 Metric tons	1,01	1,12	1,13	1,25	1,32	1,41	3,05
21. Rayon	000 Metric tons	13	17	19	29	37	43	31(i)
22. Glass and glassware (j)	000 Sq. metres	36,12	44,25	50,38	68,61	74,84	75,42	..
23. Cement	000 Metric tons	45,59	50,08	56,92	61,66	69,36	78,35	1,32,09
24. Ceramics (k)	000 Metric tons	2,79	3,23	3,73	4,41	5,07	5,40	8,13
25. Iron and steel—								
(a) Pig iron & ferro-alloys	000 Metric tons	19,25	19,90	19,42	21,34	31,09	41,93	..
(b) Finished steel	000 Metric tons	12,80	13,59	13,68	13,20	17,64	22,08	43,69
26. Non-ferrous metals (l)—								
(a) Aluminium	Metric tons	9,825	10,655	11,099	13,556	16,058	21,042	25,401
(b) Copper	"	1,585	1,780	2,378	3,207	2,719	4,728	..
(c) Brass	"	13,253	13,802	18,069	20,727	21,300	44,388	..
27. Gold	Kilograms	6,577	6,509	5,574	5,291	5,142	4,992	..
28. Hurricane lanterns	000's	54,88	51,79	43,45	33,82	45,60	51,50	60,00
29. Enamel-ware	000 Pieces	1,57,16	1,52,12	1,41,16	1,62,17	1,45,13	1,29,96	..
30. Diesel engines	Nos.	14,100	15,396	19,980	30,024	39,048	51,384	20,500
31. Sewing machines	000's	1,01	1,30	1,67	2,05	2,53	2,96	3,00
32. Dry cells	00,000's	16,10	18,14	16,66	16,82	18,73	20,75	22,50
33. Storage batteries	000's	2,35	3,14	3,24	3,55	4,43	5,10	3,50
34. Electric lamps	000's	2,42,34	3,07,28	3,31,49	3,04,76	3,48,41	4,13,95	5,00,00
35. Electric fans	000's	2,82	3,38	5,24	6,36	7,26	9,91	6,00
36. Domestic refrigerators	Nos.	5,28	756	948	2,916	3,960	11,388	..
37. Automobiles	Nos.	23,088	32,136	31,932	26,796	36,468	51,660	57,000
38. Bicycles	000's	4,91	6,64	7,91	9,13	9,91	10,51	12,50

(a) Figures relate to crop year (November to October) and are in respect of cane sugar only. (b) Relating to the production by mills in the membership of Indian Jute Mills' Association and to one non-member mill. (c) Includes canvas. (d) Relates to automobiles only. (e) In terms of fixed Nitrogen. (f) Includes figures for Jammu and Kashmir. (g) 50 gross boxes of 60 sticks each. (h) Figures relate to production of organised factories. (i) Relates to filament. (j) Production figures relate to sheet glass only. (k) Relate to refractories only. (l) Production figures relate to sheets and circles only.

MENT 15

B. INDEX NUMBERS OF INDUSTRIAL PRODUCTION.

(Base: 1951=100)

Industry	Weight	1955	1956	1957	1958	1959	1960
1. Coal	6.69	111.4	114.9	126.8	132.2	137.1	150.9
2. Iron ore	0.47	116.7	116.1	126.3	156.3	212.2	286.5
3. Sugar	4.27	143.0	166.5	185.5	175.6	186.8	228.7
4. Tea	5.94	106.2	106.0	106.9	113.8	113.5	110.3
5. Salt	0.82	109.0	119.5	132.7	151.3	114.5	123.8
6. Vegetable oil products (Vanaspati)	0.62	151.3	148.3	174.9	171.3	183.8	192.8
7. Cigarettes	1.50	106.4	122.6	134.7	139.1	150.0	178.7
8. Cotton Textiles	36.10	111.9	117.5	115.6	108.9	111.5	115.4
(a) Yarn	12.03	117.3	122.0	127.5	123.1	128.2	134.5
(b) Cloth	24.07	109.2	115.2	109.7	101.8	103.1	105.9
9. Jute Textiles	11.91	118.9	127.3	120.5	123.9	125.4	126.9
(a) Hessian	4.96	124.6	128.9	128.6	126.4	142.2	131.1
(b) Sacking	6.32	110.4	116.3	105.4	111.9	96.8	103.9
10. Footwear (Leather)	0.85	97.1	114.3	129.6	132.4	144.2	160.9
11. Paper and paper-boards	1.57	140.2	146.6	159.3	191.8	222.9	257.6
12. Footwear (Rubber)	0.80	151.4	156.6	160.0	159.1	170.4	193.6
13. Tyres	2.20	138.2	151.4	170.1	193.0	221.9	253.2
14. Sulphuric acid	0.20	155.4	154.5	183.3	211.9	273.2	331.7
15. Caustic soda	0.10	232.7	267.7	289.7	388.5	467.1	662.8
16. Bleaching powder	0.02	75.3	130.0	149.1	181.7	142.5	162.9
17. Ammonium sulphate	0.19	745.8	738.1	720.3	729.0	718.2	725.4
18. Paints and varnishes	0.77	116.6	124.2	126.2	143.3	162.0	149.7
19. Matches	0.87	106.6	106.6	100.1	108.3	112.3	114.5
20. Soap	1.38	118.7	132.1	133.8	148.0	155.8	166.2
21. Rayon	0.20	280.2	355.8	459.8	644.0	724.5	924.8
22. Glass and glassware	0.63	127.8	148.7	162.3	196.3	219.9	225.1
23. Cement	1.85	140.4	154.2	175.3	189.9	213.6	241.4
24. Ceramics	0.62	127.5	156.1	174.0	208.5	256.2	261.4
25. Iron and steel	5.92	113.3	119.4	119.3	119.1	163.1	208.8
(a) Pig iron and ferro-alloys	1.69	103.9	107.3	104.8	115.2	167.7	226.2
(b) Finished steel	4.23	117.1	124.2	125.1	120.7	161.3	201.8
26. Non-ferrous metals	1.20	123.7	124.7	151.7	166.5	205.7	327.4
(a) Aluminium	0.19	187.7	168.9	202.3	212.6	448.2	472.2
(b) Copper (Virgin metal)	0.34	102.8	107.7	110.8	110.7	107.9	124.9
(c) Brass	0.67	116.1	120.9	158.2	181.7	186.5	389.1
27. Gold	0.92	93.4	92.4	79.2	75.1	73.0	77.8
28. Hurricane lanterns	1.37	138.0	130.3	109.3	85.0	114.7	129.5
29. Enamel-ware	0.68	193.3	187.1	173.6	199.5	178.5	159.8
30. Diesel engines	0.21	141.0	165.8	229.6	355.6	418.6	575.2
31. Sewing machines	0.14	228.2	293.3	376.7	461.5	568.2	665.3
32. Dry cells	0.29	112.3	126.5	116.2	117.3	130.6	144.7
33. Storage batteries	0.10	112.0	149.6	154.5	169.3	210.6	242.6
34. Electric lamps	0.10	156.2	198.0	213.6	196.4	224.5	266.7
35. Electric fans	0.30	132.8	159.5	246.9	299.1	341.4	466.3
36. Automobiles	2.69	103.7	144.3	143.4	120.3	163.8	232.0
37. Bicycles	0.23	429.8	581.0	691.8	798.6	867.0	919.5
General Index	100.00	122.4	132.6	137.3	139.7	151.9	170.3

Sources: Monthly Statistics of the Production of Selected Industries of India and Planning Commission, Government of India.

REPORT ON CURRENCY AND FINANCE, 1960-61

STATE

STOCKS OF PRINCIPAL

At or about the end of	RAW MATERIALS						MANUFAC			
	COTTON (a), (b)		Jute (c)	COAL		Iron Ore	Sugar (d)	Salt	Vegetable oil products (Vanaspatti)	Ciga- rettes
	Indian	Foreign		Pit head	Industries					
	000 Bales	000 Bales	000 Bales	000 Metric tons	000 Metric tons	000 Metric tons	000 Metric tons	Lakh Quintals	Metric tons	Lakhs
	1	2	3	4	5	6	7	8	9	10
1950-51 ..	..	..	566	2,663	2,355	..	..	..	..	..
1955-56 ..	1,443	179	1,357	3,872	1,702	1,332	439	99	7,590	3,750
1956-57 ..	1,408	205	1,374	3,048	1,671	1,544	551	78	7,353	4,800
1957-58 ..	1,120	224	1,455	3,579	2,626	1,576	465	130	8,652	4,300
1958-59 ..	1,136	139	1,986	3,246	3,094	2,009	367	176	8,677	4,570
1959-60 ..	1,047	151	1,771	3,117	2,257	1,895	176	135	10,987	2,200
January 1960 ..	993	168	1,790	2,739	2,384	1,923	823	156	6,078	3,130
February ..	967	195	1,828	3,018	2,307	1,954	1,144	142	7,608	2,580
March ..	995	227	1,771	3,117	2,257	1,895	1,441	135	10,987	2,200
April ..	985	248	1,634	3,273	2,167	1,914	1,544	150	11,221	2,680
May ..	1,021	305	1,417	3,546	1,954	1,975	1,433	188	13,271	4,190
June ..	1,111	342	1,246	3,579	1,862	2,077	1,239	219	12,084	3,440
July ..	1,154	364	938	3,556	2,097	2,386	1,071	241	11,718	3,810
August ..	961	404	629	3,306	2,228	2,444	901	225	11,832	5,840
September ..	716	430	509	3,163	2,417	2,426	742	213	8,941	5,860
October ..	602	437	628	2,931	2,575	2,515	605	196	4,760	5,060
November ..	607	406	794	3,015	2,553	2,533	689	173	4,280	5,000
December ..	791	354	907	3,458	2,531	2,465	1,008	156	7,452	5,540

MANUFAC

At or about the end of	Matches (f)	Soap	Rayon	Glass & glassware (Sheet glass only)	Cement (Pro- ducers)	Ceramics (Refrac- tories)	Pig iron (Pro- ducers)	Finished steel (Pro- ducers)	Alumi- nium (Sheets & circles only)	Copper (Sheet & circles only)
	000 Cases (g)	Metric tons	Metric tons	000 Sq. Metres	000 Metric tons	000 Metric tons	000 Metric tons	000 Metric tons	Metric tons	Metric tons
	24	25	26	27	28	29	30	31	32	33
1950-51 ..	..	..	..	..	68	..	48	125	..	..
1955-56 ..	5	3,373	655	598	98	57	51	109	..	183
1956-57 ..	6	7,539	2,284	279	114	46	44	115	829	96
1957-58 ..	9	6,645	3,135	593	108	67	63	104	860	86
1958-59 ..	7	7,001	1,384	533	125	77	101	82	724	209
1959-60 ..	6	5,609	1,753	658	158	89	116	94	1,067	356
January 1960 ..	4	5,283	1,988	516	167	95	84	93	965	264
February ..	1	5,568	1,200	478	167	94	96	97	1,016	305
March ..	6	5,609	1,753	658	158	89	116	94	1,067	356
April ..	9	6,198	2,481	556	150	92	122	100	1,037	356
May ..	10	4,440	1,941	669	140	101	112	107	1,069	356
June ..	9	3,706	1,629	762	153	104	108	105	1,118	457
July ..	7	5,182	2,304	892	177	110	98	110	1,168	478
August ..	8	5,141	2,051	890	167	100	99	..	1,170	500
September ..	8	6,350	1,629	900	170	119	98	..	1,170	500
October ..	7	7,213	1,765	751	190	100	97	..	1,191	201
November ..	5	6,483	1,804	673	153	116	98	..	1,222	173
December ..	6	6,633	1,412	706	196	118	..	..	1,095	216

(a) Mill Stocks; 1 Bale=177·8 Kilograms. (b) Annual figures relate to August falling within the Financial Year. (c) Relating to mills in the membership of Indian Jute Mills Association. 1 Bale=181·4 Kilograms. (d) Annual figures relate to October falling within the Financial year. (e) Relating to Mills in the membership of Indian Jute Mills Association and one Non-member mill. (f) Includes figures for Jammu and Kashmir. (g) 50 gross boxes of 60 sticks each.

REPORT ON CURRENCY AND FINANCE, 1960-61

MENT 16

COMMODITIES WITH INDUSTRY

TURES

COTTON (a)		JUTE (e)		Foot- wear (lea- ther)	Paper and paper boards	Foot- wear (Rub- ber)	Tyres (auto- mobiles)	Sul- phuric Acid	Caustic Soda	Bleach- ing Powder	Ammo- nium Sul- phate	Paints and Var- nishes
Yarn	Cloth	Hess- ian cloth bags	Sack- ing cloth bags									
Lakh Kgs.	Million metres	000 Metric tons	000 Metric tons	000 Pairs	Metric tons	Lakh pairs	000's	Metric tons	Metric tons	Metric tons	Metric tons	Metric tons
11	12	13	14	15	16	17	18	19	20	21	22	23
186	305	..	56	1,511	12,215	52	23	6,846	1,148	181	32,789	2,665
59	199	30	58	1,821	11,608	60	26	6,504	1,893	686	1,123	2,521
82	411	30	56	2,110	9,421	54	27	6,984	1,038	151	2,933	3,215
204	473	25	74	2,280	8,626	51	19	6,593	1,410	304	3,149	3,628
113	400	17	30	2,046	11,835	50	29	7,112	9,551	306	18,379	4,037
69	232	28	33	2,139	11,999	42	23	7,112	3,990	235	6,476	3,007
54	207	27	32	2,107	10,369	46	16	7,620	4,090	201	8,310	4,267
63	212	28	30	2,046	11,835	50	29	7,112	9,551	306	18,379	4,037
69	232	30	33	1,739	14,311	46	33	7,112	10,829	188	21,456	3,648
67	221	35	34	1,700	15,310	53	34	9,144	12,696	331	23,574	3,103
73	217	36	37	1,670	16,704	52	28	10,779	12,500	350	30,747	4,059
64	232	32	47	1,884	17,157	50	32	12,321	14,505	307	42,717	4,550
83	287	31	44	2,154	15,605	44	33	12,718	14,809	335	43,713	4,100
97	298	30	40	2,404	17,470	47	21	13,202	13,801	270	42,941	2,870
83	282	31	40	1,868	17,955	47	21	11,597	13,877	185	44,543	3,450
98	297	31	44	2,043	18,283	51	25	10,766	13,533	261	40,533	2,895
146	311	30	42	2,124	17,670	49	19	10,750	13,384	258	42,253	2,200

TURES—(Contd.)

Brass (Sheet & circles only)	Hurri- cane lan- terns	Enamel ware	Diesel engines	Sewing machines	Dry cells	Storage batteries	Electric lamps	Electric fans	Domestic refri- gerators	Auto- mobiles	Bicycles
Metric tons	000's	000 Pieces	Nos.	Nos.	Lakhs	000's	000's	000's	Nos.	Nos.	000's
34	35	36	37	38	39	40	41	42	43	44	45
1,470	448	953	1,612	4,448	27	23	2,217	56	556	948	28
1,063	597	952	927	8,581	60	25	2,019	45	128	2,092	58
1,663	382	931	803	13,988	64	24	2,637	72	57	833	65
1,101	126	871	985	21,949	42	20	1,721	74	232	554	75
1,321	185	765	1,142	..	47	23	1,439	61	297	882	89
1,118	139	1,006	1,117	..	32	23	1,597	77	190	777	83
1,219	128	976	1,129	..	40	22	1,603	65	369	1,194	82
1,321	185	765	1,142	..	47	23	1,439	61	297	882	89
1,321	181	600	1,664	..	74	25	1,749	69	515	1,165	87
1,322	245	605	1,675	30,248	74	21	1,590	72	491	1,178	81
2,540	183	607	1,600	26,254	74	19	1,493	67	682	1,496	94
3,048	156	692	2,018	28,866	65	25	1,593	64	562	2,180	115
3,500	157	582	2,180	29,292	59	20	1,580	76	429	2,328	121
3,500	273	316	1,881	29,610	44	20	1,296	84	410	2,059	124
3,500	300	467	2,103	..	49	23	1,642	90	750	1,774	119
2,287	259	500	1,776	..	46	20	1,401	94	625	2,158	128
1,840	323	397	1,664	..	74	21	1,528	89	739	2,019	113

Source: Ministry of Commerce and Industry, Indian Central Jute Committee, Ministry of Steel, Mines and Fuel, Ministry of Food and Agriculture, *Monthly Abstract of Statistics* and *Monthly Statistics of the Production of Selected Industries of India*.

STATEMENT 17

CONSUMER PRICE INDEX NUMBERS (WORKING CLASS)

(1949 = 100)

		All-India	Bombay	Calcutta	Delhi	Madras	Ahmeda- bad	Banga- lore	Jamshed- pur	Kanpur
		1	2	3	4	5	6	7	8	9
Annual Average										
1950-51	..	101	103	101	102	101	104	108	109	91
1955-56	.	96	110	93	100	100	89	104	99	79
1956-57	..	107	116	102	112	113	101	118	108	91
1957-58	..	112	122	105	112	117	104	128	118	93
1958-59	.	118	130	109	117	126	115	132	123	101
1959-60	..	123	136	112	119	135	124	142	126	97
1960-61	..	124(a)	137	113	121	146	120	147	120(a)	100(a)
Monthly Indices										
March	1951..	103	108	102	105	102	108	113	114	92
March	1956..	100	114	93	105	105	93	108	103	83
March	1957..	107	116	100	114	114	102	122	107	91
March	1958..	110	124	104	108	119	102	128	109	89
March	1959..	117	131	104	126	127	117	135	121	99
March	1960.	121	135	112	119	138	116	145	119	97
March	1961..	124(a)	138	112	124	148	119	149	121(a)	101
April	1960..	122	137	112	117	138	116	145	117	97
May	„ ..	123	137	113	116	140	120	145	117	96
June	„ ..	124	137	114	117	143	121	146	119	96
July	„ ..	126	138	116	121	145	122	146	119	101
August	„ ..	126	137	117	121	146	123	148	122	101
September	„ ..	125	136	115	122	146	122	147	122	101(a)
October	„ ..	125	137	113	122	148	123	147	119	102
November	„ ..	124	138	112	121	150	121	147	122	102
December	„ ..	124	136	110	121	151	120	148	121	100
January	1961..	123	136	110	122	146	119	148	120	100
February	„ ..	123	137	111	123	147	119	148	119	102
March	„ .	124(a)	138	112	124	148	119	149	121(a)	101

(a) Provisional.

Source : Labour Bureau, Government of India.

REPORT ON CURRENCY AND FINANCE, 1960-61

STATEMENT 18

INDEX NUMBERS OF WHOLESALE PRICES-BY GROUPS (ANNUAL AND MONTHLY)

(1952-53=100)

Average of months/ Average of weeks		All Commo- dities	Food Articles	Liquor and Tobacco	Fuel, Power, Light and Lubricants	Industrial Raw Materials	Manufactures		
							Total	Inter- mediate Products	Finished Products
Weights		1000	504	21	30	155	290	41	249
1950-51	.. ..	111.8	112.5	98.4	92.6	130.9	103.3	112.4	101.8
1955-56	.. ..	92.5	86.6	81.0	95.2	99.0	99.7	100.1	99.6
1956-57	.. ..	105.3	102.3	84.3	104.2	116.0	106.3	110.9	105.6
1957-58	.. ..	108.4	106.4	94.0	113.5	116.5	108.1	107.3	108.2
1958-59	.. ..	112.9	115.2	95.4	115.4	115.6	108.4	110.3	108.1
1959-60	.. ..	117.1	119.0	99.5	116.5	123.7	111.7	113.8	111.3
1960-61	.. ..	124.8	120.0	110.0	119.6	145.4	123.9	130.5	122.8
April 1959	.. ..	112.0	113.1	97.5	115.7	116.2	108.5	108.4	108.5
May	.. ..	114.0	116.1	98.6	115.8	119.5	108.4	108.1	108.5
June	.. ..	115.6	118.7	97.6	115.6	120.3	109.1	108.2	109.3
July	.. ..	116.8	121.0	98.9	115.6	120.2	109.2	108.5	109.3
August	.. ..	117.1	121.7	98.3	115.5	119.4	109.5	109.2	109.5
September	.. ..	117.2	120.5	99.7	116.3	122.6	110.0	111.3	109.8
October	.. ..	119.3	123.8	101.4	117.0	122.6	111.1	114.4	110.6
November	.. ..	118.3	121.4	104.6	117.4	122.5	111.7	116.1	111.0
December	.. ..	117.9	118.2	103.7	117.0	127.2	113.4	118.2	112.6
January 1960	.. ..	118.8	117.5	100.9	116.8	130.9	116.0	121.6	115.1
February	.. ..	119.5	118.8	96.0	117.3	131.6	116.3	120.5	115.6
March	.. ..	118.9	117.0	96.4	117.8	131.9	116.9	121.3	116.1
April	.. ..	120.4	118.6	103.1	118.1	134.2	117.8	123.2	116.9
May	.. ..	122.8	120.0	107.3	119.2	140.1	119.9	125.4	119.0
June	.. ..	122.9	120.3	109.5	118.0	139.7	119.9	127.2	118.7
July	.. ..	124.7	124.0	109.6	119.5	137.2	121.0	130.4	119.4
August	.. ..	125.0	123.9	106.7	119.5	137.0	122.5	131.0	121.1
September	.. ..	125.3	123.9	104.5	119.8	138.7	122.7	129.5	121.5
October	.. ..	126.3	121.8	113.5	119.9	146.6	124.7	130.2	123.8
November	.. ..	126.0	120.2	116.8	120.1	148.0	125.6	131.6	124.7
December	.. ..	124.6	117.0	112.1	120.3	149.5	126.0	132.3	125.0
January 1961	.. ..	125.6	116.4	111.2	120.0	154.7	127.5	133.9	126.5
February	.. ..	126.7	116.3	111.2	119.8	159.4	129.2	134.2	128.4
March	.. ..	127.5	117.5	113.4	122.7	159.1	129.4	137.3	128.2

Source : Office of the Economic Adviser to the Government of India.

INDEX NUMBERS OF WHOLESALE PRICES

(1952-

Average of months/ Week ended Saturday	General Index	Food Articles				Liquor and Tobacco		Fuel, Power, Light and Lubrican
		Total	Cereals	Pulses	Milk and Ghee	Total	Tobacco	
		1000	504	192	43	84	21		20	30
Weights	1	2	3	4	5	6	7	8
1 1950-51	111.8	112.5	94.7(b)	91.7(b)	102.8	98.4	99.2	92.6
2 1955-56	92.5	86.6	75.5	62.2	89.6	81.0	79.6	95.2
3 1956-57	105.3	102.3	96.3	80.8	100.0	84.3	82.8	104.2
4 1957-58	108.4	106.4	100.9	82.4	104.8	94.0	92.3	113.5
5 1958-59	112.9	115.2	106.8	103.9	107.3	95.4	93.8	115.4
6 1959-60	117.1	119.0	104.1	93.5	113.3	99.5	97.9	116.5
7 1960-61	124.8	120.0	104.4	92.9	116.0	110.0	108.4	119.6
8 April 2, 1960 ..	118.8	116.3	103.1	87.5	110.6	96.5	94.2	118.2
9 " 9, " ..	119.8	117.9	103.1	87.8	114.6	100.4	98.4	118.2
10 " 16, " ..	120.5	118.9	103.6	90.3	116.1	100.9	98.9	118.2
11 " 23, " ..	121.7	120.1	104.2	90.6	116.5	109.0	107.5	118.0
12 " 30, " ..	121.3	119.6	104.8	90.6	115.8	108.8	107.2	118.1
13 May 7, " ..	122.2	120.1	105.8	89.6	117.2	109.2	107.6	119.2
14 " 14, " ..	123.6	120.7	105.2	89.2	121.2	106.9	105.3	119.3
15 " 21, " ..	122.4	119.6	105.7	89.9	114.0	106.9	105.3	119.2
16 " 28, " ..	122.8	119.5	106.5	90.9	117.1	106.3	104.6	119.2
17 June 4, " ..	123.2	120.4	106.8	90.4	122.9	109.8	108.3	119.0
18 " 11, " ..	122.9	120.6	106.9	88.9	125.0	109.2	107.6	119.0
19 " 18, " ..	122.8	120.0	107.3	89.3	116.6	108.5	106.9	119.1
20 " 25, " ..	122.8	120.2	108.1	90.3	115.2	110.5	109.1	119.2
21 July 2, " ..	123.6	121.8	108.4	92.8	118.1	110.5	109.1	119.2
22 " 9, " ..	124.3	123.7	109.0	94.0	125.4	110.5	109.1	118.2
23 " 16, " ..	125.1	125.0	110.1	96.0	122.8	109.0	107.5	118.4
24 " 23, " ..	125.1	124.8	109.9	95.8	122.7	109.0	107.5	118.3
25 " 30, " ..	125.4	124.6	109.9	96.1	118.4	109.0	107.5	119.5
26 August 6, " ..	125.6	125.0	110.0	94.8	119.4	109.0	107.5	119.4
27 " 13, " ..	125.3	124.6	109.4	93.9	122.6	108.7	107.2	119.4
28 " 20, " ..	124.1	122.4	108.6	93.1	113.6	104.7	103.0	119.5
29 " 27, " ..	124.9	123.5	108.4	93.0	119.2	104.2	102.4	119.6
30 September 3, " ..	125.2	124.1	108.9	93.6	120.9	104.5	102.7	119.5
31 " 10, " ..	125.2	124.1	108.6	95.2	121.8	103.6	101.7	119.5
32 " 17, " ..	125.2	123.6	108.3	95.5	122.8	104.5	102.7	119.4
33 " 24, " ..	125.7	123.9	108.2	94.3	127.2	105.5	103.7	119.9
34 October 1, " ..	125.3	122.9	107.4	94.7	123.9	105.5	103.7	119.9
35 " 8, " ..	125.7	122.1	107.0	94.7	119.6	105.5	103.7	120.0
36 " 15, " ..	127.4	121.5	106.0	94.4	114.7	119.0	118.1	119.9
37 " 22, " ..	126.6	121.4	105.7	94.7	114.3	119.0	118.1	120.0
38 " 29, " ..	126.4	121.6	105.4	94.5	115.0	118.4	117.5	119.9
39 November 5, " ..	126.7	121.0	104.2	94.3	112.0	117.8	116.8	120.0
40 " 12, " ..	126.5	120.8	103.6	94.3	115.7	117.8	116.8	120.0
41 " 19, " ..	125.5	119.7	103.4	93.9	112.2	117.2	116.2	120.1
42 " 26, " ..	125.3	119.3	102.8	94.4	112.1	114.5	113.3	120.2
43 December 3, " ..	125.5	119.0	102.6	93.7	118.1	112.5	111.2	120.3
44 " 10, " ..	124.7	117.5	100.7	93.5	112.4	112.3	111.0	120.3
45 " 17, " ..	124.3	116.9	100.4	93.7	109.5	112.3	111.0	120.3
46 " 24, " ..	124.7	116.9	99.7	93.1	109.1	111.7	110.3	120.3
47 " 31, " ..	124.2	115.0	98.4	93.9	106.5	111.7	110.3	120.4
48 January 7, 1961 ..	124.9	116.2	99.0	94.3	109.3	110.9	109.5	120.2
49 " 14, " ..	125.3	116.2	98.8	95.2	110.6	110.9	109.5	120.2
50 " 21, " ..	125.8	116.5	99.0	95.3	109.1	111.2	109.8	120.2
51 " 28, " ..	126.2	116.6	99.4	94.9	110.3	111.6	110.3	120.0
52 February 4, " ..	126.4	116.7	99.5	93.9	108.8	111.6	110.3	119.9
53 " 11, " ..	127.1	116.5	99.4	92.2	111.4	111.6	110.3	119.9
54 " 18, " ..	126.6	116.0	99.9	92.7	109.8	112.2	110.8	120.0
55 " 25, " ..	126.6	115.9	100.4	92.9	107.8	109.4	107.9	119.8
56 March 4, " ..	127.2	117.2	100.3	92.8	115.1	112.8	110.2	121.1
57 " 11, " ..	127.8	118.0	100.4	93.1	118.0	113.5	110.8	121.1
58 " 18, " ..	127.3	116.8	99.9	93.3	111.5	114.1	111.4	121.5
59 " 25, " ..	127.5	118.1	100.3	91.9	118.4	113.6	110.9	121.0

Note: Weights of sub-groups do not add up to the total as only selected sub-groups are shown.

(a) Comprising hides raw, skins raw, lac and rubber etc. (b) Derived figures.

REPORT ON CURRENCY AND FINANCE, 1960-61

MENT 19

(GROUPS AND SUB-GROUPS), 1960-61

53=100)

Industrial Raw Materials					Manufactures					
Total	Fibres	Oil seeds	Minerals	Others (a)	Total	Inter-mediate products	FINISHED PRODUCTS			
							Total	Textiles	Chemicals	Machinery and Transport equipment
155	61	60	2	32	290	41	249	147	20	31
9	10	11	12	13	14	15	16	17	18	19
130.9	127.9	142.5	80.6	117.7	103.3	112.4	101.8	108.4	90.8	81.3
99.0	105.6	85.4	87.6	113.2	99.7	100.1	99.6	101.6	92.1	97.4
116.0	116.4	120.0	102.3	109.1	106.3	110.9	105.6	107.5	93.4	98.9
116.5	117.5	120.4	108.4	107.7	108.1	107.3	108.2	107.3	98.4	101.7
115.6	108.0	127.0	106.0	109.2	108.4	110.3	108.1	103.3	106.8	103.9
123.7	114.6	134.5	97.8	122.7	111.7	113.8	111.3	107.8	106.9	106.5
145.4	151.6	149.9	97.4	128.0	123.9	130.5	122.8	125.8	104.4	111.9
132.3	126.6	139.6	98.2	131.7	117.5	122.6	116.7	115.7	104.8	111.0
133.3	127.9	141.2	98.2	131.1	117.4	122.3	116.6	115.8	104.3	111.0
134.6	130.5	142.1	98.2	130.8	117.5	122.7	116.6	116.0	104.4	111.0
135.8	132.9	142.8	98.2	130.6	118.2	123.9	117.3	117.0	104.6	111.0
134.8	132.2	141.4	98.2	129.5	118.3	124.7	117.3	117.1	104.6	111.0
137.0	139.5	140.0	98.2	129.3	119.3	125.0	118.4	119.1	104.7	111.0
141.9	152.5	139.2	98.2	129.5	120.4	125.5	119.5	121.1	104.4	111.0
139.2	144.9	140.0	98.2	129.5	119.8	125.6	118.8	120.0	104.5	111.0
142.1	151.9	140.3	98.2	129.5	119.9	125.3	119.1	120.4	105.3	111.0
142.1	150.4	142.0	97.3	129.6	119.5	126.3	118.4	119.3	105.2	111.3
138.8	141.8	142.4	98.2	129.1	119.7	126.5	118.6	119.6	104.7	111.3
139.1	139.9	145.7	98.2	127.7	120.4	127.0	119.3	120.9	104.4	111.2
138.8	138.2	147.5	98.3	126.4	120.2	129.0	118.7	119.7	104.1	111.2
137.8	134.8	148.2	98.2	126.5	120.7	129.5	119.2	120.3	104.0	110.8
136.7	130.3	149.8	98.2	126.5	120.5	130.2	118.9	119.5	104.5	111.1
136.5	128.6	151.1	98.2	126.5	120.9	130.4	119.3	120.5	102.4	111.1
136.7	128.3	152.1	98.2	126.4	121.3	130.9	119.7	121.1	102.7	111.1
138.1	130.2	153.3	98.2	127.0	121.7	131.2	120.1	121.8	103.5	111.1
137.7	133.6	149.0	98.2	126.9	122.1	131.3	120.6	122.7	103.0	111.1
137.0	133.6	147.3	98.2	126.6	122.2	130.8	120.8	123.0	103.7	111.1
135.9	132.9	145.8	98.2	125.2	122.6	130.9	121.2	123.6	104.2	111.1
137.2	136.4	145.9	98.2	125.0	122.9	130.1	121.7	124.5	104.4	111.1
137.0	135.8	145.8	98.2	125.5	122.9	129.4	121.9	124.7	104.6	111.2
138.1	138.8	146.2	98.2	124.0	122.4	129.2	121.3	123.4	105.6	111.2
139.0	140.5	147.7	98.2	123.7	122.6	129.5	121.4	123.7	105.5	111.2
140.8	143.0	148.5	98.2	125.1	122.7	130.0	121.5	123.9	105.6	111.2
141.6	143.7	149.6	98.2	125.2	122.8	129.9	121.6	123.9	105.8	111.2
145.5	153.8	149.4	97.9	125.2	123.4	129.4	122.4	125.5	105.1	111.3
150.4	167.1	148.5	97.9	125.5	126.7	130.1	126.2	131.4	104.6	112.1
148.8	162.9	148.0	97.9	126.5	125.1	130.6	124.2	128.0	104.8	112.1
146.9	160.0	146.2	97.9	126.5	125.2	130.8	124.3	128.1	104.9	112.1
149.9	165.1	148.6	97.9	126.8	125.6	131.4	124.7	128.9	104.2	112.1
148.3	161.4	147.9	98.2	127.4	126.0	131.4	125.1	129.6	104.1	111.9
147.2	156.9	149.4	98.2	127.8	125.1	131.5	124.1	127.9	104.1	111.9
146.6	153.0	151.4	98.2	128.6	125.8	132.0	124.7	128.8	104.9	111.9
148.5	156.9	150.8	98.2	131.5	126.0	132.0	125.0	129.4	104.0	112.1
148.7	156.5	151.8	98.2	131.6	125.9	132.0	124.9	129.1	104.0	112.1
148.1	153.7	152.9	98.2	131.5	125.5	131.9	124.5	128.3	103.6	112.1
150.5	157.4	156.0	98.2	130.7	125.8	132.5	124.8	128.7	103.5	112.1
152.0	160.6	156.2	95.9	131.2	126.8	133.0	125.7	130.3	103.9	112.1
152.5	161.1	157.7	95.9	129.8	126.9	133.4	125.9	130.3	103.8	112.6
153.8	164.2	157.9	95.9	129.9	127.4	133.8	126.3	131.1	103.8	112.6
155.9	167.7	160.6	95.0	128.3	127.6	135.0	126.3	130.9	104.5	112.6
156.6	171.1	158.9	95.0	128.3	128.4	133.5	127.6	133.2	104.5	112.6
157.4	173.9	158.2	95.2	128.2	128.5	133.7	127.7	133.3	104.4	112.6
160.7	182.9	157.4	95.2	128.7	129.6	133.8	128.9	135.4	104.3	112.6
159.5	179.6	158.0	95.2	128.2	129.2	134.3	128.4	134.5	104.3	112.6
159.7	179.4	158.7	95.2	128.2	129.3	134.9	128.4	134.4	103.9	112.6
159.2	178.9	157.7	95.2	128.4	129.1	136.1	128.0	133.7	104.6	112.6
159.1	177.0	159.4	95.2	128.8	129.8	137.2	128.6	134.6	104.6	112.5
159.5	175.9	161.6	95.2	128.5	130.0	138.5	128.6	134.7	104.7	112.5
158.5	175.6	160.0	95.3	127.3	128.8	137.3	127.4	132.7	105.6	112.6

Source: Office of the Economic Adviser to The Government of India.

STATEMENT 20

MOVEMENTS IN PRICE INDICES OF SELECTED COMMODITIES

(1952-53=100)

Group/Commodity	Weight	Average for March				Percentage variation of			
		1951*	1956	1960	1961	(2) over (1)	(4) over (2)	(4) over (3)	(4) over (3)
		1	2	3	4	5	6	7	7
I. All Commodities	..	120.2	98.1	118.9	127.5	-18.4	+30.0	-	+7.2
II. Food Articles	..	112.4	92.8	117.0	117.5	-17.4	+26.6	-	+0.4
(a) Foodgrains	..	100	84	101	99	-16.0	+17.9	-	-2.0
(i) Cereals	..	100	86	103	100	-14.0	+16.3	-	-2.9
1. Rice	..	100	86	106	101	-14.0	+17.4	-	-4.7
2. Wheat	..	100	85	94	91	-15.0	+7.1	-	-3.2
3. Jowar	..	93	102	117	110	-9.7	+7.8	-	-6.0
(ii) Pulses	..	102	77	90	93	-24.5	+20.8	+3.3	+3.3
1. Gram	..	90	66	74	90	-26.7	+36.4	+21.6	+21.6
(b) Others	..	103	94	126	108	-8.7	+14.9	-	-14.3
(i) Fruits and Vegetables	..	84	93	111	116	-8.8	+24.7	+4.5	+4.5
(ii) Milk and Ghee	..	151	106	137	164	-29.8	+54.7	+19.7	+19.7
(iii) Edible Oils	..	17	93	115	124	-	+33.3	+7.8	+7.8
(iv) Fish, Eggs and Meat..	..	104	95	127	127	-8.7	+33.7	-	-
(v) Sugar	..	30	89	149	112	-39.0	+25.8	-24.8	-24.8
(vi) Gur	..	19	139	180	208	-11.5	+49.6	+15.6	+15.6
(vii) Tea	..	93	80	89	88	-14.0	+11.0	-1.1	-1.1
(viii) Coffee	..	112.9	78.7	96.4	113.4	-30.3	+44.1	+17.6	+17.6
III. Liquor & Tobacco	..	114	77	94	111	-32.5	+44.2	+18.1	+18.1
(i) Tobacco	..	114	77	94	111	-32.5	+44.2	+18.1	+18.1

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IV. Fuel, Power, Light and Lubricants ..									
(i) Coal ..	9	100	96.8	117.8	122.7	- 0.7	+ 26.8	+ 4.2	
(ii) Mineral Oil ..	14	88	101	135	141	+ 1.0	+ 39.6	+ 4.4	
(iii) Castor Oil ..	2	171	95	109	111	+ 8.0	+ 16.8	+ 1.8	
V. Industrial Raw Materials ..									
(i) Fibres ..	155	153.7	109.4	131.9	159.1	- 28.8	+ 45.4	+ 20.6	
1. Cotton Raw ..	61	170	113	125	177	- 33.5	+ 56.6	+ 41.6	
2. Jute Raw ..	32	144	107	113	111	- 25.7	+ 3.7	- 1.8	
(ii) Oilseeds ..	23	204	122	141	271	- 40.2	+ 122.1	+ 92.2	
1. Groundnuts ..	60	149	106	141	160	- 28.9	+ 50.9	+ 13.5	
2. Linseed ..	27	145	102	141	159	- 29.7	+ 55.9	+ 12.8	
3. Castorseed ..	5	157	123	119	141	- 21.7	+ 14.6	+ 18.5	
(iii) Manganese Ore ..	2	172	81	121	128	- 52.9	+ 58.0	+ 5.8	
(iv) Mica ..	0.5	62	95	88	86	+ 53.2	- 9.5	- 2.3	
VI. Manufactures ..									
(a) Intermediate Products ..	1	103	93	101	99	- 9.7	- 6.5	- 2.0	
(i) Cotton yarn ..	290	118.7	102.9	116.9	129.4	- 13.3	+ 25.8	+ 10.7	
(ii) Metals ..	41	132.5	110.5	121.3	137.3	- 16.6	+ 24.3	+ 13.2	
1. Pig Iron ..	15	105	101	118	126	- 3.8	+ 24.8	+ 6.8	
(iii) Linseed Oil ..	8	121	124	141	149	+ 2.5	+ 20.2	+ 5.7	
(b) Finished Products ..	1	78	117	164	163	+ 50.0	+ 39.3	- 0.6	
(i) Cotton Manufactures ..	6	162	136	111	154	- 16.0	+ 13.2	+ 38.7	
(ii) Jute Manufactures ..	249	116.5	101.6	116.1	128.2	- 12.8	+ 26.2	+ 10.4	
(iii) Metal Products ..	91	102	109	125	127	+ 6.9	+ 16.5	+ 1.6	
1. Iron and Steel Manufactures ..	37	187	95	98	162	- 49.2	+ 70.5	+ 65.3	
(iv) Chemicals ..	12	86	125	148	147	+ 45.3	+ 17.6	- 0.7	
	11	84	126	148	147	+ 50.0	+ 16.7	- 0.7	
	20	96	92	105	105	- 4.2	+ 14.1	-	

Source: Office of the Economic Adviser to the Government of India.

*Derived figures in respect of Foodgrains, Cereals and Pulses.

REPORT ON CURRENCY AND FINANCE, 1960-61

STATE

MONEY SUPPLY WITH

CURRENCY WITH THE PUBLIC (a)

Last Friday		Notes in circulation (b)	Circulation of rupee coin (c)	Balances of Central and State Govern- ments held at Treasuries (d)	Cash on hand with scheduled and reporting non-scheduled and State co-operative banks	Currency with the public (1 + 2 - 3 - 4)	Variations in currency with the public (e)
		1	2	3	4	5	6
1	1950-51 ..	1,238.60	135.68	4.42	39.10	1,330.76	+ 81.72
2	1955-56 ..	1,424.23	123.58	1.14	41.45	1,505.22	+ 193.89
3	1956-57 ..	1,483.20	118.30	5.31	39.70	1,556.49	+ 51.72
4	1957-58 ..	1,535.96	116.99	4.23	41.59	1,607.13	+ 51.29
5	1958-59 ..	1,658.36	121.42	6.64	47.78	1,725.36	+ 117.90
6	1959-60 ..	1,801.73	131.22	2.95	67.29	1,862.72	+ 138.79
7	1960-61 ..	1,941.57	141.69	6.60†	49.78	2,026.89†	+ 167.05†
8	April 1959 ..	1,708.29	123.31	8.37	48.46	1,774.77	+ 49.78
9	May ..	1,695.48	126.15	7.37	48.51	1,765.75	- 8.42
10	June ..	1,670.39	125.61	7.11	52.59	1,736.30	- 29.36
11	July ..	1,622.87	121.17	7.20	44.76	1,692.07	- 44.49
12	August ..	1,607.04	119.35	6.57	47.77	1,672.05	- 20.17
13	September ..	1,598.83	117.97	5.77	46.04	1,664.99	- 7.10
14	October ..	1,643.03	120.86	5.45	42.60	1,715.83	+ 50.96
15	November ..	1,636.04	120.04	6.14	47.07	1,702.88	- 13.10
16	December ..	1,686.94	122.43	6.22	48.78	1,754.38	+ 51.64
17	January 1960 ..	1,724.27	125.37	7.32	48.37	1,793.95	+ 39.49
18	February ..	1,755.81	128.50	6.92	51.19	1,826.19	+ 32.45
19	March ..	1,801.73	131.22	2.95	67.29	1,862.72	+ 37.10
20	April ..	1,840.42	133.05	6.64	53.79	1,913.04	+ 51.18
21	May ..	1,817.82	135.78	6.08	51.70	1,895.81	- 16.34
22	June ..	1,792.82	134.24	6.80	51.24	1,869.01	- 26.61
23	July ..	1,750.83	130.66	6.07	48.23	1,827.18	- 41.77
24	August ..	1,733.42	129.07	5.93	49.56	1,806.99	- 20.05
25	September ..	1,746.87	128.67	5.01	50.93	1,819.61	+ 12.57
26	October ..	1,751.01	130.64	5.09	52.77	1,823.80	+ 2.77
27	November ..	1,767.80	130.44	5.35	49.45	1,843.44	+ 19.09
28	December ..	1,825.81	133.87	4.94	56.01	1,898.73	+ 55.73
29	January 1961 ..	1,866.32	136.65	6.02	51.96	1,944.99	+ 46.82
30	February ..	1,882.16	139.03	5.68	49.24	1,966.28	+ 22.17
31	March ..	1,941.57	141.69	6.60†	49.78	2,026.89†	+ 61.49†

† Provisional

Note: No adjustments have been made for the net inward or outward movements of currency. Figures in brackets are based on net demand deposits of scheduled banks.

REPORT ON CURRENCY AND FINANCE, 1960-61

MENT 21

THE PUBLIC

(Crores of Rupees)

DEPOSIT MONEY						
Net demand liabilities of scheduled and reporting non-scheduled and State co-operative banks (f)	'Other deposits' with Reserve Bank (g)	Deposit money with the public (7+8)	Variations in deposit money	Money supply with the public (5+9)	Variations in money supply with the public (e) (6+10)	
7	8	9	10	11	12	
614.29	26.01	640.30	+30.93	1,971.06	+112.65	1
667.22	12.01	679.23	+70.37	2,184.45	+264.26	2
744.74	11.65	756.39	+77.16	2,312.88	+128.88	3
762.36	19.87	782.22	+25.83	2,389.35	+77.12	4
754.98	19.25	774.23	-7.99	2,499.59	+109.91	5
818.62	21.79	840.41	+66.18	2,703.13	+204.97	6
855.87	18.96	874.83	+34.42	2,901.72†	+201.47†	7
(748.04)		(767.00)		(2,793.89)†		
789.97	18.16	808.13	+33.90	2,582.90	+83.68	8
754.08	18.92	773.00	-35.13	2,538.75	-43.55	9
775.60	20.14	795.74	+22.74	2,532.04	-6.62	10
747.83	20.97	768.81	-26.93	2,460.88	-71.42	11
758.35	21.54	779.89	+11.08	2,451.94	-9.09	12
748.10	19.52	767.62	-12.27	2,432.62	-19.36	13
736.94	17.68	754.62	-13.00	2,470.46	+37.96	14
752.63	17.44	770.07	+15.45	2,472.95	+2.34	15
752.06	14.77	766.84	-3.23	2,521.22	+48.41	16
778.08	18.08	796.16	+29.32	2,590.11	+68.81	17
778.57	15.59	794.16	-2.00	2,620.36	+30.46	18
818.62	21.79	840.41	+46.25	2,703.13	+83.34	19
812.78	20.58	833.36	-7.05	2,746.40	+44.13	20
810.08	19.11	829.19	-4.17	2,725.00	-20.51	21
810.37	22.92	833.28	+4.09	2,702.30	-22.51	22
813.42	30.18	843.60	+10.32	2,670.78	-31.46	23
819.33	32.63	851.97	+8.37	2,658.96	-11.68	24
791.73	19.28	811.01	-40.96	2,630.61	-28.40	25
812.18	24.71	836.89	+25.88	2,660.69	+28.66	26
804.15	21.09	825.24	-11.65	2,668.68	+7.44	27
(711.55)		(732.64)		2,576.08)		
813.05	25.50	838.56	+13.32	2,737.28	+69.04	28
(717.71)		(743.22)	(+10.58)	(2,641.95)	(+66.31)	
821.72	25.94	847.67	+9.11	2,792.66	+55.94	29
(727.18)		(753.13)	(+9.91)	(2,698.12)	(+56.73)	
829.74	20.54	850.28	+2.61	2,816.57	+24.39	30
(734.81)		(755.35)	(+2.22)	(2,721.64)	(+24.40)	
855.87	18.96	874.83	+24.55	2,901.72†	+86.03†	31
(748.04)		(767.00)	(+11.65)	(2,793.89)†	(+73.13)†	

(a) Including *Hali Sica* currency upto December 1957. (b) Figures are net of the return of about Rs. 43 crores of India notes from Pakistan awaiting adjustment. (c) Estimated. (d) Figures are as on last day of the year/month. (e) Include variations in the circulation of small coin. (f) The figures of net demand liabilities relate to net demand deposits in the case of non-scheduled banks. (g) Excluding balances held on I.M.F. Account No. 1 and some extraordinary items.

REPORT ON CURRENCY AND FINANCE, 1960-61

STATE

SEASONAL VARIATIONS IN MONEY

	1955-56		1956-57	
	Slack Season	Busy Season	Slack Season	Busy Season
	1	2	3	4
A. Money Supply with the public				
1. Currency with the Public (b)	-11.5	+206.9	- 96.1	+144.7
2. Demand liabilities of banks (c)	+21.5	+ 41.7	- 7.8	+ 93.8
3. Other Deposits with the Reserve Bank of India (d)	+ 0.1	+ 1.4	- 1.7	+ 1.7
4. Total Money Supply with the public (1+2+3) ..	+10.1	+250.0	-105.6	+240.2
B. Factors Affecting Money Supply (e)				
1. Bank Credit to Government (i+ii+iii+iv)- (v+vi)	+72.9	+112.3	+ 48.3	+276.4
(i) Rupee securities held by the Reserve Bank of India	+18.6	+148.9	+ 33.0	+261.5
(ii) Loans and advances to Governments by the Reserve Bank of India	- 0.9	+ 1.8	+ 1.6	+ 12.4
(iii) Rediscounts of Treasury Bills	- 4.9	+ 5.3	- 7.7	+ 7.7
(iv) Investments of banks in Government Securities (c) (d) (f)	+53.6	- 37.6	+ 17.8	- 27.9
(v) Central Government's Deposits with the Reserve Bank of India	- 1.7	+ 9.3	- 4.4	- 1.3
(vi) State Governments' Deposits with the Reserve Bank of India	- 4.8	- 3.2	- 0.8	- 21.4
2. Foreign Assets held by the Reserve Bank of India (g)	- 2.8 (+ 4.3)	+ 13.3 (+ 19.3)	-143.4 (-143.4)	- 77.3 (-138.0)
3. Public's net indebtedness to the banking system (i-ii)	-67.3	+161.8	- 21.0	+108.0
(i) Bank Credit (c) (h)	-26.5	+169.4	+ 11.6	+155.0
(ii) Time liabilities of banks (c)	+40.8	+ 7.6	+ 32.6	+ 47.0

Note:—(1) Slack season is from May to October and the busy season is from November to April. No adjustments have been made for the net inward or outward movements of currency. (2) In view of the change in arrangements for holding P. L. 480 funds from May 12, 1960, figures for 1960-61 are not comparable to those for the earlier years for items B (1) (iv) and B (3) (ii). (3) Unlike the data in Statements 21 and 23, which have been revised to conform to the new concept of money supply analysis published in an article in the July 1961 issue of the Reserve Bank of India Bulletin, those in this Statement have not been revised and are given on the old basis.

REPORT ON CURRENCY AND FINANCE, 1960-61

MENT 22

SUPPLY WITH THE PUBLIC

(Crores of Rupees)

1957-58		1958-59		1959-60		1960-61		Outstanding as on April 28, 1961(a)
Slack Season	Busy Season	Slack Season	Busy Season	Slack Season	Busy Season	Slack Season	Busy Season(a)	
5	6	7	8	9	10	11	12	
- 89.1	+143.0	- 88.4	+222.1	- 58.9	+197.1	- 89.1	+201.9	2,025.7
+ 4.8	+ 24.2	- 71.2	+ 68.7	- 53.0	+ 75.8	- 0.6	+ 58.1	870.3 (761.7)(i)
+ 2.1	+ 0.1	+ 1.5	+ 2.0	- 0.5	+ 2.9	+ 4.1	- 5.5	19.2
- 82.2	+167.3	-158.2	+292.8	-112.4	+275.8	- 85.6	+254.5	2,915.2 (2,806.6)(i)
+214.7	+271.9	+180.7	+177.9	+ 70.7	+184.2	-133.5	+117.0	2,486.7
+155.3	+208.2	+ 95.7	+130.1	-104.3	+216.6	- 43.4	+139.4	1,834.9
+ 33.7	+ 4.8	- 37.9	+ 27.1	- 23.7	+ 28.0	- 19.8	+ 55.6	84.0
- 8.7	+ 13.6	17.3	+ 6.9	+ 16.5	+ 3.7	- 15.3	+ 28.8	40.8
+ 38.7	+ 50.4	+175.4	- 3.4	+180.9	- 53.5	- 48.8	-126.4	596.9
- 0.3	+ 0.5	+ 18.7	- 18.1	+ 1.4	- 4.4	+ 14.8	- 13.7	51.6
+ 4.6	+ 4.6	+ 16.5	+ 0.9	- 2.7	+ 15.0	- 21.0	- 5.9	18.3
-177.8 (-212.3)	- 59.3 (- 59.3)	- 89.4 (- 89.4)	+ 30.3 (+ 30.3)	- 10.5 (- 10.5)	- 17.6 (- 6.9)	- 37.9 (- 31.7)	- 19.4 (- 19.4)	123.3
-150.1	- 44.1	-238.3	+128.4	-210.3	+122.5	+ 41.3	+224.4	300.5 (302.9)(j)(k)
- 37.1	+ 85.4	-101.5	+181.4	- 48.6	+187.2	+ 12.5	+188.7	1458.4 (1,425.2)(j)
+113.0	+129.5	+136.7	+ 53.0	+ 161.7	+ 64.7	- 28.8	- 35.7	1,157.9 (1,122.3)(k)

(a) Figures are provisional. (b) Including *Hali Sica* currency upto December 1957. (c) Scheduled banks and reporting non-scheduled and State co-operative banks. (d) Excluding balances held on I.M.F. Account No. 1 and some extraordinary items.

(e) Figures are gross variations; no adjustments have been made in respect of extra-ordinary transactions except in figures given in brackets under item B(2). (f) At book value; include Treasury Bills and Treasury Deposit Receipts. (g) Figures in brackets are net of borrowings from and repayments to the I.M.F. (h) Comprising (i) advances and (ii) inland and foreign bills purchased and discounted in India. (i) Based on net demand deposits of scheduled banks. (j) Excluding 'due from banks'. (k) Excluding inter-bank deposits.

STATEMENT 23

VARIATIONS IN MONEY SUPPLY WITH THE PUBLIC DURING THE TWO PLAN PERIODS

(Crores of Rupees)										
	Outstand- ing as on March 30, 1951	Variations during the First Plan	Outstand- ing as on March 30, 1956	1956-57	1957-58	1958-59	1959-60	1960-61	Variations during the Second Plan	Outstand- ing as on March 31, 1961
MONEY SUPPLY WITH THE PUBLIC										
(1+2+3)										
1. Currency with the public * ^a	1975-7†	-198.7	2184.4	+128.9	+77.1	+110.0	+204.9	+201.5	+722.4	2901.7
2. Other Deposits with the Reserve Bank	1329.0	+166.2	1505.2	+51.8	+51.3	+118.0	+138.7	+167.1	+527.0	2026.9
3. Bank Money	26.0	-14.0	12.0	-0.4	+8.2	-0.6	+2.5	-2.9	+6.8	19.0
	620.7	-46.5	667.2	+77.5	+17.6	-7.4	+63.6	+37.3	+188.6	855.8
FACTORS AFFECTING MONEY SUPPLY										
VARIATIONS										
1. Net Bank Credit to Government Sector	973.1	+245.2	1228.2	+309.6	+502.0	+332.5	-263.9	-7.5	+1400.5	2623.6
(a) Reserve Bank's Net Credit to Govern- ment sector (b-c)	460.5	+246.2	706.7	+330.9	+421.2	+156.4	+145.5	+136.7	+1190.7	1897.4
(b) Aggregate variations in the Financial Assets of the Reserve Bank (including Rupee coins)	648.9	+187.2	836.1	+298.1	+427.9	+133.8	+171.1	+136.0	+1166.9	2002.9
(c) Variations in Government Deposits with the Reserve Bank	188.4	-59.0	129.4	-32.8	+6.7	-22.6	+25.6	-0.7	-23.8	105.5
(d) Banks' Credit to Government Sector ††	347.0	+51.4	398.3	-11.8	-80.6	+174.4	+103.5	-153.9	+192.8	591.1
(e) Government's Net Currency Liabi- lities to the Public @ (variations in Government Currency Liabilities— variations in Treasury balances)	165.6	-52.4	123.2	-9.5	+0.2	+1.7	+14.9	+9.7	+17.0	135.1
2. Net Bank Credit to Private Sector (a+b)††	286.7@	+106.0	392.8	+103.4	-146.7	-141.5	-59.9	+294.4	+49.7	442.5
(a) Reserve Bank Credit to Private Sector	1.2	+4.8	6.1	+0.5	-0.7	+2.2	+0.4	+0.2	+2.6	8.9
(b) Banks' Net Credit to Private Sector (c-d)	285.5@	+101.2	386.7	+102.9	-146.0	-143.7	-60.3	+294.2	+47.1	433.7
(c) Variations in Financial Assets of Banks	619.1@	+238.9	857.9	+165.5	+91.5	+52.2	+154.4	+242.9	+706.5	1564.3
(d) Variations in non-monetary liabilities of Banks ††	333.6	+137.7	471.2	+62.6	+237.5	+195.9	+214.7	-51.3	+659.4	1130.6
3. Variations in Net Foreign Exchange Assets of Banking Sector (a+b)	860.0	-95.8	764.2	-261.7	-282.2	-59.7	+2.7	-63.7	-664.6	99.6
(a) Variations in the Net Foreign Exchange Assets of the Reserve Bank	877.9	-96.4	781.5	-277.3	-294.8	-56.1	+5.6	-51.6	-674.2	107.3
(b) Variations in the banks' Net Foreign Exchange Assets	-17.9	+0.6	-17.3	+15.6	+12.6	-3.6	-2.9	-12.1	+9.6	-7.7
4. Variations in the Non-identifiable Net Non-monetary Liabilities of the Banking Sector * (increase—)	100.9@@	-56.8	157.5	-22.5	-4.1	-21.5	-1.8	-21.6	-63.3	220.8

Note :—Figures relating to small coins are included in variations in Money Supply, while outstanding figures exclude them. Figures may not add up on account of rounding off; those for 1960-61 are provisional.

* Excludes Rs. 43.17 crores of India notes returned from Pakistan and awaiting cancellation. †† In view of the change in arrangements for holding P. L. 480 funds from May 12, 1960, figures for 1960-61 are not comparable to those for the earlier years. @ Includes *Half Sica* notes and coins upto December 1957. † Adjusted for change in coverage due to inclusion in 1952 of non-scheduled banks operating exclusively in Part B States. @@ Adjusted for foreign bills, data relating to which were obtained only since May 14, 1954.

REPORT ON CURRENCY AND FINANCE, 1960-61

STATEMENT 24

ADVANCES OF THE RESERVE BANK OF INDIA TO SCHEDULED BANKS AND STATE CO-OPERATIVE BANKS

(Lakhs of Rupees)

				Scheduled Banks			State Co-operative Banks
				Against usage bills and/or pro- missory notes	Other advances	Total	
				1	2	3	4
Outstanding as on last Friday of							
1950-51	..	..	..	—	12,41	12,41	3,42(a)
1955-56	..	..	..	27,43	37,65	65,08	13,20
1956-57	..	..	..	71,54	31,62	103,16	22,28
1957-58	..	..	..	26,58	15,42	42,00	35,01
1958-59	..	..	..	13,48	48,38	61,86	49,72
1959-60	..	..	..	14,03	65,41	79,44	75,17
1960-61	..	..	..	45,39	49,15	94,53	88,29
Outstanding as at the close of							
April	1,	1960	..	15,21	53,09	68,30	73,72
"	8,	"	..	12,24	29,08	41,31	69,62
"	15,	"	..	13,61	31,64	45,24	68,43
"	22,	"	..	8,07	24,27	32,34	68,04
"	29,	"	..	11,54	32,10	43,65	69,49
May	6,	"	..	12,74	34,72	47,46	70,06
"	13,	"	..	16,23	32,93	49,16	68,92
"	20,	"	..	13,72	31,45	45,17	68,11
"	27,	"	..	12,40	24,13	36,53	70,38
June	3,	"	..	11,31	35,79	47,10	72,17
"	10,	"	..	13,21	38,01	51,22	73,85
"	17,	"	..	13,61	31,48	45,09	75,26
"	24,	"	..	13,54	26,71	40,25	79,79
July	1,	"	..	13,10	29,51	42,61	86,45
"	8,	"	..	12,71	34,35	47,06	85,65
"	15,	"	..	12,42	33,16	45,58	86,19
"	22,	"	..	13,05	14,13	27,18	87,82
"	29,	"	..	9,12	15,52	24,64	86,28
August	5,	"	..	10,85	23,14	33,99	86,97
"	12,	"	..	10,90	12,45	23,35	90,97
"	19,	"	..	10,85	14,17	25,01	92,40
"	26,	"	..	7,25	9,80	17,05	92,78
September	2,	"	..	10,10	44,75	54,85	93,97
"	9,	"	..	10,67	41,36	52,04	94,75
"	16,	"	..	10,96	29,45	40,41	94,56
"	23,	"	..	12,26	34,80	47,06	93,86
"	30,	"	..	9,28	24,16	33,44	95,57
October	7,	"	..	8,31	22,27	30,58	96,02
"	14,	"	..	8,77	21,43	30,21	97,12
"	21,	"	..	9,43	23,27	32,70	97,54
"	28,	"	..	6,54	10,09	16,63	97,58
November	4,	"	..	5,82	16,80	22,63	98,72
"	11,	"	..	8,15	17,05	25,19	99,87
"	18,	"	..	6,86	11,00	17,86	99,24
"	25,	"	..	4,27	8,02	12,29	99,71
December	2,	"	..	4,06	16,02	20,08	99,14
"	9,	"	..	3,99	20,08	24,07	98,49
"	16,	"	..	7,57	23,78	31,35	98,11
"	23,	"	..	8,36	34,44	42,80	97,22
"	30,	"	..	13,72	47,76	61,47	96,93
January	6, 1961	..	..	13,83	39,62	53,45	96,62
"	13,	"	..	14,59	38,48	53,06	96,35
"	20,	"	..	17,16	25,07	42,22	95,15
"	27,	"	..	18,81	25,68	44,49	94,50
February	3,	"	..	22,35	36,37	58,72	93,93
"	10,	"	..	24,26	37,14	61,40	94,09
"	17,	"	..	26,90	27,37	54,27	114,23
"	24,	"	..	26,15	25,99	52,14	59,00
March	3,	"	..	27,55	34,91	62,46	91,57
"	10,	"	..	29,30	37,49	66,79	89,80
"	17,	"	..	35,28	43,01	78,29	89,18
"	24,	"	..	37,15	45,48	82,63	89,88
"	31,	"	..	45,39	49,15	94,53	88,29

(a) As on March 31, 1951.

REPORT ON CURRENCY AND FINANCE, 1960-61

STA

RESERVE BANK OF INDIA A

Short-term loans to State Co-operative Banks												
For seasonal agricultural operations and marketing of crops [17(4) (a), (2) (b) or (4)(c)] at 2 per cent below bank rate*			For non-agricultural purposes									
			For financing handloom weavers' societies				For general banking purposes [17(4)(a)] at Bank rate		For financing working capital requirements of co-operative sugar factories [17 (2) (b) or (4) at Bank rate			
			For purchase of yarn [17(2) (a) or (4) (c)] at Bank rate		For production and marketing activities [17 (2) (bb) or (4) (c)] at 1½ per cent below Bank rate							
			Amount drawn	Outstandings	Amount drawn	Outstandings	Amount drawn	Outstandings	Amount drawn	Outstandings		
			1	2	3	4	5	6	7	8	9	10
1950-51	..	537.30	339.20	—	—	—	—	—	42.30	2.30	—	—
1951-52	..	1128.68	781.38	—	—	—	—	—	—	—	—	—
1952-53	..	976.05	637.20	31.90	6.10	—	—	—	40.00	40.00	—	—
1953-54	..	1384.45	801.43	37.70	15.80	—	—	—	10.00	35.00	—	—
1954-55	..	1729.34	913.95	18.40	6.40	—	—	—	1.00	—	—	—
1955-56	..	2299.78	1233.48	—	—	—	—	—	38.60	13.00	—	—
1956-57	..	3190.61	2058.47	43.00	19.80	—	—	—	39.25	12.00	—	—
1957-58	..	5022.51	3092.59	29.20	8.00	49.28	49.28	—	213.20	—	99.00	—
1958-59	..	6755.55	4256.32	48.00	24.00	173.99	168.63	—	182.30	—	100.00	—
1959-60	..	8897.21	6644.52	78.50	11.50	173.48	176.30	—	534.45	—	—	—
1960-61	..	13166.16	7914.42	42.50	12.50	239.88	240.70	—	319.20	9.00	469.90	—

† Under various Sections of the Reserve Bank of India Act, 1934 as indicated in brackets.

* With effect from November 15, 1951. Prior to this date the rate of interest was 1½ per cent below the Bank rate.

MENT 25

Co-OPERATIVE CREDIT (†)

(Lakhs of Rupees)

Medium-term loans to State Co-operative Banks for agricultural purposes [17(4AA)] at 2 per cent below Bank rate before National Agricultural Credit (Long-term Operations) Fund was constituted		National Agricultural Credit (Long-term Operations) Fund										Ordinary debentures	
		Medium-term loans to State Co-operative Banks for agricultural purposes [17(4AA) read with 46A(2) (b)] at 2 per cent below Bank rate††		Long-term loans to				Rural debentures [17(4AA) read with 46A (2) (d)]					
				State Governments for contribution to the share capital of Co-operative Credit Societies [17 (4AA) read with 46A(2)(a)]		Central Land Mortgage Banks [17(4AA) read with 46A(2)(c)]							
Amount drawn	Out-standings	Amount drawn	Out-standings	Amount drawn	Out-standings	Amount drawn	Out-standings	Pur-chases	Out-standings	Pur-chases	Out-standings		
11	12	13	14	15	16	17	18	19	20	21	22		
—	—	—	—	—	—	—	—	—	—	12.00	18.13		
—	—	—	—	—	—	—	—	—	—	13.00	31.13		
—	—	—	—	—	—	—	—	—	—	22.89	55.13		
—	—	—	—	—	—	—	—	—	—	14.50	68.52		
19.89	19.89	—	—	—	—	—	—	—	—	7.06	59.69		
30.75	40.52	10.59	10.59	—	—	—	—	—	—	9.50	73.38		
3.44	24.62	118.77	113.31	160.45	160.45	—	—	—	—	1.50	62.13		
—	9.21	298.68	352.22	583.40	743.85	—	—	—	—	12.94	75.07		
—	—	268.44	494.84	574.48	1318.33	—	—	26.88	26.88	3.59	85.46		
—	—	386.43	621.98	493.34	1795.33	—	—	47.10	73.98	—	67.61		
—	—	467.90	763.19	274.58	1995.17	—	—	33.17	107.15	2.90	67.61		

†† Rate of interest on loans sanctioned with effect from November 1, 1960 raised to 1½% below Bank Rate.

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STATEMENT 26

RESERVE BANK OF INDIA AND INDUSTRIAL FINANCE

(Thousands of Rupees)

As at the end of			A. Long-term Finance to			
			Industrial Finance Corporation		State Financial Corporations	
			Shares	Bonds	Shares	Bonds
1950-51	..	..	102,70	—	—	—
1951-52	..	..	102,70	—	—	—
1952-53	..	..	102,70	—	—	—
1953-54	..	..	102,70	200,00	87,50	—
1954-55	..	..	102,70	200,00	125,00	—
1955-56	..	..	102,70	200,00	170,00	—
1956-57	..	..	102,70	200,00	182,50	—
1957-58	..	..	102,70	200,00	200,00	3,24
1958-59	..	..	102,70	200,00	200,00	(a)
1959-60	..	..	102,70	200,00	225,00	—
1960-61	..	..	102,70	200,00	235,00	—

Note :—From 1958-59 onwards, long-term finance to Refinance Corporation is Rs. 100 lakhs in shares.

(a) During the year 1958-59, further bonds to the extent of Rs. 6,74,100 were purchased by the Bank. These bonds together with the bonds of the face value of Rs. 3.24 lakhs purchased during the preceding year were sold during the year 1958-59.

Outstanding as on last Friday			B. Medium-term Finance to	
			Industrial Finance Corporation [under section 17(4B)(b) of the Reserve Bank of India Act] (Thousands of Rupees)	
1956-57	106,50
1957-58	—
1958-59	93,75
1959-60	88,00
1960-61	51,00
April 1959	34,75
May	82,75
June	6,75
July	—
August	2,75
September	23,25
October	26,50
November	115,00
December	162,25
January 1960	180,25
February	137,25
March	88,00
April	5,00
May	31,50
June	53,75
July	—
August	8,75
September	—
October	19,25
November	63,00
December	37,00
January 1961	21,25
February	50,25
March	51,00

Note :—Since 1956-57, outstandings in respect of short-term finance to Industrial Finance Corporation of India [under section 17 (4B) (a) of the Reserve Bank of India Act] are nil and outstandings in respect of short-term finance to State Financial Corporations [under Section 17(4)(a) of the Reserve Bank of India Act] were Rs. 2,50,000 (as on 28-3-1958), Rs. 5,00,000 (as on 25-4-1958), Rs. 3,00,000 (as on 27-1-1961), Rs. 8,00,000 (as on 24-2-1961) and Rs. 13,00,000 (as on 31-3-1961).

STATEMENT 27

SEASONAL TRENDS IN SELECTED ITEMS OF SCHEDULED BANKS' LIABILITIES AND ASSETS

Season	Demand liabilities	Time liabilities	Aggregate deposit liabilities (1 + 2)	Borrowings from Reserve Bank	Cash and balances with Reserve Bank	Cash ratio (b) at the end of the period	Investments in Government securities (c)	Investment ratio (d) at the end of the period	Bank credit (e)	Credit-deposit ratio (f) at the end of the period
	1	2	3	4	5	6	7	8	9	10
Slack 1950	+ 11.68	+	+ 11.72	- 8.22	+ 26.99	13.0	+ 37.86(g)	43.1(g)	- 74.43(h)	47.7(h)
Busy 1950-51	- 4.74	+ 22.30	+ 17.56	+ 9.24	- 25.21	9.9	- 65.91(g)	34.8(g)	+ 163.43(h)	65.4(h)
Slack 1955	+ 20.97	+ 37.84	+ 58.82	- 21.37	+ 12.41	9.1	+ 47.71	38.4	- 31.55	58.0
Busy 1955-56	+ 36.95	+ 5.00	- 41.95	+ 50.35	- 6.74	8.1	- 36.93	33.4	+ 164.49	71.2
Slack 1956	- 5.17	+ 29.66	+ 24.48	+ 1.91	+ 1.02	8.0	+ 16.09	34.2	+ 3.67	70.0
Busy 1956-57	+ 86.66	+ 46.44	+ 133.11	+ 14.90	+ 16.00	8.5	- 26.96	28.2	+ 148.42	74.5
Slack 1957	+ 17.97	+ 125.06	+ 143.03	- 42.94	+ 40.22	10.5	+ 49.67	28.9	- 41.89	63.6
Busy 1957-58	+ 19.75	+ 128.81	+ 148.56	- 9.92	- 10.74	8.8	+ 50.41	29.4	+ 89.42	63.3
Slack 1958	- 69.59	+ 133.92	+ 64.33	- 17.59	+ 13.66	9.3	+ 174.75	39.3	- 117.91	53.2
Busy 1958-59	+ 66.22	+ 49.68	+ 115.90	+ 24.94	- 14.61	7.8	- 3.18	36.4	+ 181.70	60.3
Slack 1959	- 53.16	+ 159.63	- 106.46	- 13.35	- 21.11	6.2	+ 178.00	44.2	- 78.95	52.3
Busy 1959-60	+ 69.75	+ 61.10	+ 130.85	+ 29.80	+ 29.67	7.3	- 52.49	38.4	+ 188.93	58.6
Slack 1960	+ 7.41	- 30.68	- 23.26	- 27.02	+ 4.17	7.6	- 52.33	36.2	- 20.31	58.2
Busy 1960-61	+ 52.63	- 43.34	+ 9.29	+ 21.53	- 23.24	6.3	- 126.32	29.4	+ 198.53	68.3
Outstanding as on April 28, 1961	831.07 (778.73)(i)	1,084.61 (1,067.09)(i)	1,915.68 (1,845.82)(i)	38.16	121.32		562.98		1,308.59 (1,300.53)(j)	

Note :— The slack season is from May to October and the busy season is from November to April. In analysing the figures relating to aggregate deposit liabilities and investments in Government Securities, note should be taken of the impact of the new arrangement for the holding of P. L. 480 funds, effective from May 12, 1960. For details please see Chapter IV.

(a) Although the totals include certain non-deposit items, the term 'deposit liabilities' is used here since the predominant portion of banks' liabilities consists of deposits. (b) Percentage of Cash and Balances with the Reserve Bank of India to Aggregate Deposit Liabilities. (c) At book value; includes Treasury Bills and Treasury Deposit Receipts. (d) Percentage of Investments in Government Securities to Aggregate Deposit Liabilities. (e) Form XIII figures submitted by Scheduled banks. (f) Percentage of Bank Credit to Aggregate Deposit Liabilities. (g) Based on notice. (h) Exclusive of inter-bank deposits. (i) Exclusive of due from banks. (j) Exclusive of due from banks.

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STATE

SCHEDULED BANKS—BUSINESS IN

Demand Liabilities														Time Liabilities				Aggregate De- posits (3+7)	Aggregate Liabi- lities (5+9+10) (d)	Borrowings from	
No. of Reporting banks	Deposits		Borrow- ings from banks (a)	Others (b)	Deposits		Borrow- ings from banks (a)	Others (c)	Reserve Bank	State Bank of India and/or a notifi- ed Bank											
	Inter- bank	Others			Inter- bank	Others															
	1	2	3	4	5	6	7	8	9	10	11	12	13								
Average of Friday Figures																					
1 1950-51 ..				20,75	578,38			1,01	277,44		855,83	4,46	..								
2 1955-56 ..				9,20	599,44			3,86	404,10		1,003,54	24,51	7,67								
3 1956-57 ..				9,66	643,69			2,70	451,22		1,094,91	63,45	10,13								
4 1957-58 ..				15,31	707,86			10,33	608,83		1,316,68	44,58	7,02								
5 1958-59 ..				22,37	715,73			29,66	833,14		1,548,87	17,81	6,68								
6 1959-60 ..				21,25	725,51			26,33	1,061,26		1,786,78	19,42	8,27								
7 1960-61 ..				18,10	776,47			18,26	1,138,36		1,914,82	43,01	13,36								
		44,77	691,15		48,75†	15,30	1,054,23		21,35†	1,745,39	(1,815,49†)										
As at the close of last Friday																					
8 1950-51 ..	93			23,62	592,55			8	288,06		880,61	12,41	..								
9 1955-56 ..	89			4,87	630,80			3,01	412,35		1,043,15	65,08	19,71								
10 1956-57 ..	89			8,27	703,61			1,97	471,69		1,175,30	103,16	11,60								
11 1957-58 ..	92			15,29	730,65			14,86	720,59		1,451,24	42,00	11,68								
12 1958-59 ..	93			11,24	722,38			21,81	912,63		1,635,01	61,86	14,79								
13 1959-60 ..	94			12,62	781,33			20,50	1,120,69		1,902,02	79,44	16,82								
14 1960-61 ..	89	55,68	709,72	14,01	52,11	14,29	1,026,34	11,07	22,45	1,736,06	1,880,58	94,53	18,52								
1960-61 (Weekly) ..											(1,810,61)										
Friday Figures 1960																					
15 April 1 ..	94			13,19	794,61			20,20	1,114,73		1,909,34	68,30	16,05								
16 " 8 ..	94			14,94	790,88			20,74	1,140,09		1,930,97	41,31	15,10								
17 " 15 ..	94			17,03	781,00			21,09	1,143,88		1,924,88	45,24	15,42								
18 " 22 ..	94			15,96	782,05			21,88	1,155,18		1,937,23	32,34	13,38								
19 " 29 ..	94			17,28	771,03			22,37	1,158,63		1,929,65	43,65	14,13								
20 May 6 ..	94			18,95	769,34			24,87	1,160,53		1,929,87	47,46	15,38								
21 " 13 ..	94			14,51	769,15			24,80	1,169,08		1,938,23	49,16	13,56								
22 " 20 ..	94			15,69	762,01			24,44	1,174,46		1,936,47	45,17	14,37								
23 " 27 ..	94			18,09	769,28			23,99	1,174,76		1,944,04	36,53	13,74								
24 June 3 ..	94			15,29	775,38			23,75	1,175,03		1,950,41	47,10	14,53								
25 " 10 ..	94			16,49	776,26			24,41	1,174,05		1,950,32	51,22	13,98								
26 " 17 ..	94			14,81	781,02			24,06	1,175,67		1,956,69	45,09	13,29								
27 " 24 ..	94			14,70	772,42			23,62	1,192,31		1,964,73	40,25	13,04								
28 July 1 ..	95			15,85	777,37			24,42	1,197,76		1,975,13	42,61	10,38								
29 " 8 ..	95			16,71	763,75			25,21	1,200,47		1,964,22	47,06	13,75								
30 " 15 ..	94			21,56	764,16			24,65	1,186,91		1,951,07	45,58	13,30								
31 " 22 ..	94			21,64	781,62			27,28	1,183,99		1,965,61	27,18	12,02								
32 " 29 ..	94			23,95	774,87			27,68	1,187,63		1,962,50	24,64	12,25								
33 August 5 ..	94			19,42	763,18			24,01	1,196,70		1,959,87	33,99	11,41								
34 " 12 ..	94			23,56	765,80			23,33	1,203,31		1,969,11	23,35	9,78								
35 " 19 ..	94			21,75	773,48			23,12	1,192,38		1,965,86	25,01	9,88								
36 " 26 ..	94			21,53	781,26			22,30	1,190,71		1,971,96	17,05	12,65								

† Average of last 19 weeks.

REPORT ON CURRENCY AND FINANCE, 1960-61

MENT 28

INDIA (ANNUAL & WEEKLY)

(Amount in Lakhs of Rupees)

Cash in hand	Balances with Reserve Bank	Total Cash and Balances with Reserve Bank (14+15)	Percent- age of (16) to (11)	Balances with other Banks in Current Account	Money at call and short notice	Invest- ments in Govern- ment securi- ties (e)	Percent- age of (20) to (11)	Bank Credit						Total (i)	Per- centage of (26) to (11)
								Advances		Bills purchased & Discounted					
								Loans, cash credits and over- drafts	Due from banks	Inland		Foreign (g)			
14	15	16	17	18	19	20	21	22	23	24	25	26	27		
34,68	60,78	95,46	11.2	..	..	..	..	447,03(f)	11,87(h)	..	..	458,90	53.6	1	
34,64	52,52	87,16	8.7	10,75	15,62	370,71	36.9	514,37	74,70	43,38	..	632,46	63.0	2	
36,94	50,23	87,17	8.0	10,51	13,11	359,35	32.8	626,09	105,44	50,12	..	781,64	71.4	3	
39,38	77,62	117,00	8.9	11,05	34,91	384,65	29.2	722,97	116,05	51,78	..	890,80	67.7	4	
40,27	84,03	124,30	8.0	12,90	48,14	564,90	36.5	765,59	93,77	39,81	..	899,17	58.1	5	
44,75	75,87	120,62	6.8	14,71	32,14	724,64	40.6	842,90	103,61	40,98	..	987,49	55.3	6	
47,04	93,40	140,43	7.3	16,08	28,79	687,95	35.9	996,84	116,21	47,15	..	1,160,19	60.6	7	
								1,036,65†	12,63†	127,27†	48,21†	(1,212,13)	(66.8)		
34,95	58,36	93,30	10.6	..	..	..	..	533,66(f)	13,26(h)	..	..	546,93	62.1	8	
35,84	48,90	84,73	8.1	10,81	6,31	359,90	34.5	612,45	102,02	46,77	..	761,25	73.0	9	
33,98	54,28	88,26	7.5	11,31	11,62	347,18	29.5	723,60	117,52	58,92	..	900,04	76.6	10	
37,19	67,85	105,04	7.2	11,30	41,60	440,45	30.4	806,21	116,90	39,62	..	962,73	66.3	11	
43,36	64,40	107,76	6.6	13,59	24,38	613,37	37.5	865,07	109,78	38,82	..	1,013,67	62.0	12	
62,12	90,79	152,91	8.0	18,56	18,20	714,73	37.6	951,29	130,00	46,59	..	1,127,88	59.3	13	
45,56	71,02	116,58	6.2	17,85	20,78	558,58	29.7	1,110,96	16,78	159,35	49,23	1,336,32	71.1	14	
												(1,319,54)	(72.9)		
57,62	79,38	137,00	7.2	17,81	17,73	717,85	37.6	942,71	137,93	45,20	..	1,132,84	59.3	15	
51,09	86,25	137,35	7.1	16,54	24,79	717,53	37.2	950,86	134,09	45,13	..	1,130,09	58.5	16	
50,12	96,07	146,19	7.6	15,70	23,32	732,19	38.0	950,97	131,88	45,31	..	1,128,17	58.6	17	
48,62	94,19	142,81	7.4	15,11	24,52	736,91	38.0	946,45	133,09	46,76	..	1,126,30	58.1	18	
48,88	91,52	140,39	7.3	15,91	25,48	741,63	38.4	955,15	128,38	46,85	..	1,130,38	58.6	19	
49,66	85,01	134,67	7.0	15,12	29,30	746,29	38.7	966,91	127,83	46,64	..	1,141,38	59.1	20	
50,16	92,59	142,75	7.4	15,50	25,88	741,37	38.3	966,52	123,28	45,32	..	1,135,12	58.6	21	
47,72	90,31	138,03	7.1	15,56	28,27	746,23	38.5	962,45	119,40	45,49	..	1,127,34	58.2	22	
47,15	95,63	142,78	7.3	15,35	31,65	744,86	38.3	961,61	116,90	45,25	..	1,123,76	57.8	23	
47,43	94,70	142,12	7.3	15,51	28,48	755,64	38.7	972,88	116,35	44,85	..	1,134,07	58.2	24	
47,93	106,72	154,65	7.9	15,43	28,89	740,52	38.0	975,61	114,49	43,91	..	1,134,01	58.2	25	
46,99	104,33	151,32	7.7	14,82	28,17	740,43	37.8	980,33	109,77	44,09	..	1,134,19	58.0	26	
46,90	108,69	155,59	7.9	15,93	26,39	739,71	37.7	974,84	105,74	43,64	..	1,124,22	57.2	27	
49,24	106,30	155,55	7.9	16,83	25,20	745,00	37.7	980,19	107,87	41,62	..	1,129,68	57.2	28	
49,37	107,13	156,51	8.0	19,15	28,52	749,56	38.2	990,58	108,65	42,20	..	1,141,43	58.1	29	
51,88	120,22	172,10	8.8	24,87	33,66	731,08	37.5	988,92	90,80	43,88	..	1,123,59	57.6	30	
47,12	107,08	154,20	7.8	17,25	29,57	733,56	37.3	965,71	102,60	44,82	..	1,113,12	56.6	31	
44,09	119,36	163,45	8.3	16,36	40,42	723,86	36.9	968,76	106,75	46,16	..	1,121,67	57.2	32	
43,18	113,75	156,93	8.0	14,49	35,31	738,14	37.7	972,18	107,54	45,28	..	1,125,00	57.4	33	
45,13	110,16	155,29	7.9	15,60	40,63	733,17	37.2	969,09	102,26	47,81	..	1,119,16	56.8	34	
47,03	113,51	160,55	8.2	16,61	36,71	729,54	37.1	960,59	102,92	47,20	..	1,110,72	56.5	35	
45,52	111,35	156,87	8.0	17,48	35,39	745,88	37.8	955,20	99,82	47,91	..	1,107,93	55.9	36	

REPORT ON CURRENCY AND FINANCE, 1960-61

STATE NON-SCHEDULED BANKS—LIABILITIES

LIABILITIES							
		Total (a)	CAPITAL AND RESERVES			Aggregate deposits (9 + 12) 6	
		Number of reporting banks 1	Total 3	Paid-up capital (b) 4	Reserves 5		
		2					
Average of last Fridays							
1955-56	..		82,39	12,24	7,94	4,30	65,22
1956-57	..		87,05	11,85	7,51	4,34	69,24
1957-58	..		75,84	10,38	6,59	3,79	59,87
1958-59	..		59,34	8,72	5,59	3,12	46,56
1959-60	..		60,36	7,93	4,99	2,93	48,43
1960-61	..		60,27	7,49	4,72	2,77	48,44
Last Friday							
1955-56	..	378	84,56	12,15	7,82	4,33	66,81
1956-57	..	324	90,26	11,59	7,19	4,40	71,30
1957-58	..	310	60,19	8,99	5,99	3,00	46,41
1958-59	..	279	57,76	7,90	4,96	2,94	45,68
1959-60	..	267	62,63	7,63	4,79	2,84	50,09
1960-61	..	256	54,16	6,95	4,33	2,62	42,73
April 1959	..	282	58,90	8,05	5,07	2,98	47,05
May "	..	282	58,66	8,07	5,08	2,99	47,00
June "	..	286	60,00	8,62	5,30	3,32	47,84
July "	..	282	59,50	8,03	5,05	2,98	48,11
August "	..	280	59,82	8,01	5,10	2,91	48,41
September "	..	277	59,64	7,97	5,02	2,95	48,14
October "	..	277	59,67	7,93	5,04	2,89	47,92
November "	..	273	60,34	7,86	5,00	2,86	48,63
December "	..	263	60,05	7,65	4,87	2,78	47,55
January 1960	..	264	62,78	7,64	4,79	2,85	50,17
February "	..	270	62,36	7,65	4,81	2,84	50,23
March "	..	267	62,63	7,63	4,79	2,84	50,09
April "	..	267	63,81	7,65	4,80	2,85	51,74
May "	..	268	64,38	7,77	4,86	2,91	52,13
June "	..	268	62,19	7,88	5,02	2,86	50,14
July "	..	267	62,58	7,69	4,86	2,83	50,77
August "	..	267	61,93	7,79	4,94	2,85	50,10
September "	..	269	61,62	7,79	4,94	2,85	49,33
October "	..	261	60,91	7,51	4,72	2,79	48,98
November "	..	264	60,49	7,50	4,77	2,73	48,82
December "	..	249	55,34	6,95	4,34	2,61	44,07
January 1961	..	253	57,50	7,18	4,52	2,66	45,88
February "	..	256	58,31	7,26	4,58	2,68	46,55
March "	..	256	54,16	6,95	4,33	2,62	42,73

REPORT ON CURRENCY AND FINANCE, 1960-61

MENT 29

AND ASSETS IN INDIA

(Amount in Lakhs of Rupees)

LITIES

DEPOSITS

DEMAND			TIME			Due to other banks 13	Other liabilities 14
Total 7	Inter-Bank 8	Others 9	Total 10	Inter-Bank 11	Others 12		
23,92	35	23,57	42,09	44	41,65	1,75	2,39
24,51	35	24,16	45,46	38	45,08	2,32	2,92
20,58	27	20,31	39,82	26	39,56	2,38	2,68
14,72	26	14,44	32,35	24	32,11	1,30	2,26
14,74	33	14,41	34,42	40	34,02	69	2,59
13,70	21	13,49	35,53	58	34,95	95	2,60
24,90	42	24,48	42,71	38	42,33	2,29	2,51
26,57	28	26,29	45,26	25	45,01	3,69	3,15
14,88	19	14,69	31,94	22	31,72	2,02	2,36
14,60	39	14,21	31,72	25	31,47	1,18	2,36
14,73	42	14,31	36,24	46	35,78	1,38	2,65
11,58	15	11,43	31,76	46	31,30	1,37	2,50
15,19	36	14,83	32,48	26	32,22	81	2,37
14,74	35	14,39	32,94	33	32,61	65	2,26
14,69	35	14,34	33,86	36	33,50	66	2,17
14,84	29	14,55	33,97	41	33,56	44	2,22
14,79	25	14,54	34,26	39	33,87	50	2,26
14,47	28	14,19	34,36	41	33,95	59	2,25
14,12	25	13,87	34,56	51	34,05	63	2,43
14,56	39	14,17	34,87	41	34,46	46	2,59
14,09	26	13,83	34,13	41	33,72	54	3,64
15,56	34	15,22	35,43	48	34,95	67	3,48
15,12	41	14,71	35,93	41	35,52	92	2,74
14,73	42	14,31	36,24	46	35,78	1,38	2,65
15,82	37	15,45	36,89	60	36,29	66	2,79
15,51	40	15,11	37,73	71	37,02	72	2,65
14,44	26	14,18	36,81	85	35,96	42	2,64
14,56	24	14,32	37,19	74	36,45	58	2,56
14,00	19	13,81	36,87	58	36,29	73	2,54
13,70	16	13,54	36,37	58	35,79	1,16	2,60
13,59	15	13,44	36,09	55	35,54	1,14	2,58
13,66	16	13,50	35,86	54	35,32	95	2,52
11,39	11	11,28	33,27	48	32,79	1,07	2,66
12,83	15	12,68	33,64	44	33,20	1,29	2,56
13,34	18	13,16	33,84	45	33,39	1,27	2,60
11,58	15	11,43	31,76	46	31,30	1,37	2,50

REPORT ON CURRENCY AND FINANCE, 1960-61

STATE

NON-SCHEDULED BANKS—LIABILITIES

								ASS	
		CASH IN HAND AND BALANCES WITH RESERVE BANK					Agent of Reserve Bank & other Banks in Current Account	Money at call and Short Notice	BANK
		Total (a)	Total	Cash in hand	Balances with Reserve Bank				
		15	16	17	18	19	20	Total 21	Advances 22
Average of last Fridays									
1955-56	..	82,23	4,52	4,49	3	2,66	2,36	38,80	36,34
1956-57	..	86,87	4,83	4,81	2	2,57	1,86	41,91	39,00
1957-58	..	75,66	4,17	4,16	2	2,45	1,79	38,72	86,18
1958-59	..	59,15	3,51	3,50	1	2,83	1,75	30,91	29,16
1959-60	..	60,16	3,62	3,61	1	3,26	1,82	31,40	29,75
1960-61	..	60,09	3,53	3,52	1	3,45	1,58	31,12	29,71
Last Friday									
1955-56	..	84,40	4,67	4,66	1	2,37	76	41,71	38,54
1956-57	..	89,90	4,66	4,65	1	2,22	1,92	45,18	41,76
1957-58	..	60,00	3,51	3,50	1	2,44	85	33,05	31,17
1958-59	..	57,58	3,55	3,54	1	2,88	1,61	30,70	28,88
1959-60	..	62,41	3,87	3,86	1	3,08	1,43	34,12	32,17
1960-61	..	53,99	3,22	3,21	1	2,55	55	29,11	27,82
April	1959	58,73	3,80	3,79	1	3,24	1,98	30,68	28,90
May	..	58,50	3,56	3,54	2	3,20	1,98	30,42	28,78
June	..	59,74	3,75	3,74	1	3,25	2,27	30,83	29,32
July	..	59,30	3,54	3,53	1	3,21	2,21	30,71	29,25
August	..	59,62	3,64	3,63	1	3,18	1,35	31,11	29,57
September	..	59,44	3,60	3,59	1	3,16	1,33	30,59	29,07
October	..	59,47	3,28	3,27	1	3,17	1,38	31,03	29,41
November	..	60,14	3,63	3,62	1	3,39	1,63	31,15	29,64
December	..	59,75	3,52	3,51	1	3,46	1,70	30,48	28,95
January	1960	62,59	3,66	3,65	1	3,50	2,22	32,52	30,73
February	..	62,17	3,62	3,61	1	3,24	2,32	33,10	31,26
March	..	62,41	3,87	3,86	1	3,08	1,43	34,12	32,17
April	..	63,61	4,03	4,02	1	4,29	1,88	33,07	31,16
May	..	64,19	3,85	3,83	2	3,82	1,69	33,59	31,78
June	..	61,98	3,66	3,65	1	3,74	1,82	32,15	30,64
July	..	62,39	3,44	3,43	1	3,68	1,98	32,57	31,06
August	..	61,76	3,42	3,41	1	4,22	1,98	31,71	30,33
September	..	61,45	3,55	3,54	1	3,30	1,74	31,65	30,24
October	..	60,72	3,47	3,46	1	3,41	1,77	31,09	29,77
November	..	60,34	3,37	3,36	1	3,33	1,99	30,59	29,23
December	..	55,15	3,69	3,68	1	3,12	86	28,34	27,37
January	1961	57,33	3,26	3,25	1	3,05	1,05	29,78	28,54
February	..	58,14	3,40	3,39	1	2,87	1,70	29,76	28,53
March	..	53,99	3,22	3,21	1	2,55	55	29,11	27,82

(a) As the data relate only to areas to which the Act extended, the total liabilities do not agree with the total assets. (b) Excluding banks incorporated outside Indian Union. (c) Including Treasury Bills and Treasury Deposit Receipts

REPORT ON CURRENCY AND FINANCE, 1960-61

MENT 29 (Contd.)

AND ASSETS IN INDIA

(Amount in lakhs of Rupees)

ETS									
CREDIT									
Bills Purchased and Discounted	Due from Banks	INVESTMENTS				Other assets	16	21	25
		Total	Central Government (c)	State Govern- ments	Others		As percentage of aggregate deposits		
23	24	25	26	27	28	29	30	31	32
2,46	7	29,30	16,66	6,80	5,84	4,52	6.9	59.5	44.9
2,92	6	31,09	15,32	8,99	6,78	4,56	7.0	60.5	44.9
2,55	4	24,25	10,35	8,06	5,84	4,23	7.0	64.7	40.5
1,75	1	16,26	6,13	5,78	4,34	3,88	7.5	66.4	34.9
1,64	1	16,03	5,58	5,35	5,10	4,03	7.5	64.8	33.1
1,41	1	16,46	5,54	5,92	4,99	3,94	7.3	64.2	34.0
3,17	6	30,32	16,65	7,97	5,70	4,51	7.0	62.4	45.4
3,42	4	31,52	14,33	10,15	7,04	4,36	6.5	63.4	44.2
1,88	1	16,11	6,51	5,90	3,70	4,03	7.6	71.2	34.7
1,82	1	15,19	5,68	5,38	4,13	3,64	7.8	67.2	33.3
1,95	1	15,98	5,71	5,44	4,83	3,92	7.7	68.1	31.9
1,29	2	14,80	4,63	6,14	4,03	3,74	7.5	68.1	34.6
1,78	—	15,34	5,71	5,39	4,24	3,69	8.1	65.2	32.6
1,64	—	15,58	5,70	4,99	4,89	3,76	7.6	64.7	33.1
1,51	1	15,65	5,71	4,95	4,99	3,98	7.8	64.4	32.7
1,46	1	15,84	5,81	4,95	5,08	3,78	7.4	63.8	32.9
1,54	1	16,19	5,83	5,36	5,00	4,14	7.5	64.3	33.4
1,52	—	16,78	5,61	5,51	5,66	3,98	7.5	63.5	34.9
1,62	1	16,70	5,12	5,55	6,03	3,90	6.8	64.8	34.8
1,51	1	16,53	5,09	5,58	5,86	3,80	7.5	64.1	34.0
1,53	—	15,90	5,44	5,35	5,11	4,69	7.4	64.1	33.4
1,79	—	15,87	5,61	5,54	4,72	4,82	7.3	64.8	31.6
1,84	—	15,95	5,60	5,54	4,81	3,94	7.2	65.9	31.8
1,95	1	15,98	5,71	5,44	4,83	3,92	7.7	68.1	31.9
1,91	—	16,43	5,66	5,57	5,20	3,91	7.8	63.9	31.8
1,81	—	17,30	5,67	5,68	5,95	3,94	7.4	64.4	33.2
1,51	1	16,56	5,51	5,19	5,86	4,04	7.3	64.1	33.0
1,51	1	16,69	5,58	5,20	5,91	4,02	6.8	64.2	32.9
1,38	—	16,32	5,69	5,25	5,38	4,11	6.8	63.3	32.6
1,41	1	17,01	5,85	6,26	4,90	4,19	7.2	64.2	34.5
1,32	2	17,09	5,74	6,49	4,86	3,87	7.1	63.5	34.9
1,36	1	17,24	5,72	6,50	5,02	3,81	6.9	62.7	35.3
97	5	15,40	4,82	6,28	4,30	3,69	8.4	64.3	34.9
1,24	3	16,28	5,83	6,19	4,26	3,88	7.1	64.9	35.5
1,23	1	16,34	5,81	6,28	4,25	4,06	7.3	63.9	35.1
1,29	2	14,80	4,63	6,14	4,03	3,74	7.5	68.1	34.6

STATE

DEBITS TO CURRENT DEPOSIT ACCOUNTS

				Number of reporting banks/offices (as at the close of business)		Current Deposits (b) (c)		Debits to Current Deposit Accounts during the year/month (d)	
				Banks	Offices	Of business and individuals	Total*	Of business and individuals	Total*
				1	2	3	4	5	6
1950-51	..	..	..	84	912	333,68	367,44	12,014,79	12,472,30
1955-56	..	..	..	81	1,118	347,30	374,05	16,285,02	16,823,83
1956-57	..	..	..	80	1,102	362,98	400,58	17,655,52	18,370,84
1957-58	..	..	..	83	1,213	369,09	430,70	18,511,45	19,517,74
1958-59	..	..	..	85	1,213	346,05	408,72	13,716,14	14,794,65
1959-60	..	..	..	87	1,313	355,01	407,12	14,422,42	15,511,15
April	1959	..	..	85	1,277	353,36	407,72	1,236,81	1,320,57
May	"	..	..	87	1,289	353,46	405,28	1,129,36	1,204,00
June	"	..	..	86	1,277	379,52	434,74	1,067,32	1,156,85
July	"	..	..	86	1,288	345,56	397,32	1,175,96	1,276,73
August	"	..	..	86	1,326	361,18	410,07	1,122,11	1,220,20
September	"	..	..	85	1,325	349,90	404,55	1,198,12	1,284,25
October	"	..	..	85	1,319	338,49	382,40	1,214,27	1,298,47
November	"	..	..	85	1,328	354,19	402,96	1,215,76	1,298,77
December	"	..	..	84	1,300	358,49	407,12	1,384,32	1,476,96
January	1960	..	..	88	1,303	334,27	385,97	1,203,28	1,289,93
February	"	..	..	88	1,305	348,18	398,74	1,205,94	1,308,61
March	"	..	..	87	1,313	383,48	448,52	1,269,17	1,375,81
April	"	..	..	88	1,349	372,21	424,74	1,364,23	1,479,34
May	"	..	..	87	1,350	374,36	425,85	1,295,99	1,383,59
June	"	..	..	84	1,338	382,66	433,59	1,283,90	1,377,09
July	"	..	..	86	1,362	383,37	432,63	1,292,28	1,392,75
August	"	..	..	87	1,316	365,22	416,89	1,256,38	1,360,43
September	"	..	..	86	1,344	354,89	409,24	1,270,70	1,366,64
October	"	..	..	86	1,370	362,17	412,18	1,375,64	1,466,44
November	"	..	..	85	1,368	362,49	411,22	1,395,57	1,499,67
December	"	..	..	85	1,323	342,57	391,42	1,349,90	1,464,33

Note: The method of computation of the rate of turnover of current deposits in the above statement has been changed from 1958-59. The rate of turnover till 1957-58 was calculated by dividing the debits to current deposits and cash credit and overdraft accounts during the year by the monthly average of current deposits. The cash credit and overdraft limits sanctioned were not taken into account although their debits were included in the total debits. From 1958-59 onwards the turnover of current deposits is calculated by dividing debits to current accounts during the year by the monthly average of current deposits. The overall rate of turnover is arrived at by dividing debits to current account and cash credit and overdrafts by the average outstanding of current account and effective cash credit and overdraft limits. Debits to cash credit and overdraft limits are separately available from the beginning of 1958 and as such the data shown in columns 5, 6, 12 and 13 from 1958-59 onwards are not comparable with the data for the earlier years. Monthly rates are expressed on an annual basis. * Includes data relating to Government and quasi-Government bodies and business and individuals.

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MENT 30

WITH SCHEDULED BANKS (a)

(Amount in Lakhs of Rupees)

Total of approved Cash Credit and Overdraft limits (c)		Debits to Cash Credit and Overdraft limits during the year/month		Total Credit Outstanding (c)	Rate of Turnover of Current Deposits		Overall Rate of Turnover	
Of business and individuals	Total*	Of business and individuals	Total*		Of business and individuals	Total*	Of business and individuals	Total*
7	8	9	10	11	12	13	14	15
	504,68(e)			345,69	36.1	33.9		14.3
589,74	609,65			515,12	46.9	45.0	17.4	17.1
667,53	685,86			634,83	48.6	45.9	17.1	16.9
718,81	745,87			700,55	50.2	45.3	17.0	16.6
739,27	774,93	5,671,42	5,794,71	700,75	39.6	36.2	17.9	17.4
849,33	887,30	6,453,29	6,598,04	761,61	40.6	38.1	17.3	17.1
891,21	924,50	529,26	537,79	772,56	42.0	38.9	17.0	16.7
832,18	869,36	507,70	515,69	768,80	38.3	35.6	16.6	16.2
838,86	874,26	479,48	488,17	757,93	33.7	31.9	15.2	15.1
807,58	843,82	592,46	605,93	713,78	40.8	38.6	18.4	18.2
836,43	875,80	460,96	473,55	752,21	37.3	35.7	15.9	15.8
837,73	877,19	496,66	508,46	751,97	41.1	38.1	17.1	16.8
845,96	885,18	493,57	508,53	765,86	43.0	40.7	17.3	17.1
848,09	889,99	516,21	527,05	754,50	41.2	38.7	17.3	16.9
853,43	882,17	609,47	618,85	748,37	46.3	43.5	19.7	19.5
830,58	857,82	605,87	618,10	725,70	43.2	40.1	18.6	18.4
877,01	925,79	550,95	564,80	794,80	41.6	39.4	17.2	17.0
892,84	941,70	610,70	631,12	832,81	39.7	36.8	17.7	17.3
907,38	956,86	584,36	604,59	830,49	44.0	41.8	18.3	18.1
944,95	990,33	590,39	603,90	840,84	41.5	39.0	17.2	16.8
927,47	986,58	585,88	602,10	858,68	40.3	38.1	17.1	16.7
955,11	1,015,90	605,97	622,95	878,74	40.5	38.6	17.0	16.7
918,64	978,62	571,25	584,48	844,16	41.3	39.2	17.1	16.7
912,48	972,31	559,07	577,48	847,59	43.0	40.1	17.3	16.9
931,05	991,07	616,37	631,20	878,34	45.6	42.7	18.5	17.9
941,78	999,42	620,42	635,94	881,67	46.2	43.8	18.5	18.2
876,42	922,66	618,06	637,54	818,96	47.3	44.9	19.4	19.2

(a) Relates only to offices operating in towns with a population of one lakh and over. (b) Include credit balances in cash credits. (c) Annual figures are averages of monthly figures. Monthly figures are outstandings at the end of period. (d) Include debits to cash credits and overdraft limits upto 1957-58. (e) Average for three months.

STATEMENT 31

DEBITS TO CURRENT DEPOSIT ACCOUNTS WITH SCHEDULED BANKS
(State-wise Distribution)
(Business and Individuals)

Year/Month	All States (a)	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	(Amount in Lakhs of Rupees)
			Andhra Pradesh	Bihar	Maharashtra (b)	Gujarat (b)	Kerala	Madhya Pradesh	Madras	Mysore	Orissa	East Punjab	Rajasthan	Uttar Pradesh	West Bengal	Jammu & Kashmir	Delhi	
1958-59	..	346.05	5.98	6.21	139.33	4.71	4.33	21.81	7.73	7.73	82	5.06	2.83	14.42	94.00	97	37.85	
1959-60	..	355.01	6.16	7.29	142.66	4.56	4.75	23.45	7.37	7.37	75	5.48	2.43	16.50	98.28	93	34.40	
April	1959..	353.36	5.99	5.93	140.75	4.36	5.10	22.42	6.47	6.47	95	5.37	2.32	15.04	95.61	126	41.79	
May	"	353.46	5.99	6.74	132.12	4.48	4.63	21.94	7.70	7.70	86	5.74	1.86	14.37	95.94	1,18	49.91	
June	"	379.52	6.10	6.90	142.79	4.29	4.87	22.33	8.55	8.55	74	5.34	2.87	15.35	94.80	98	63.61	
July	"	345.56	6.61	6.75	139.70	4.86	5.06	23.57	8.26	8.26	77	5.47	2.86	17.50	89.76	97	33.42	
August	"	361.18	6.86	6.56	143.42	4.70	5.47	24.19	8.10	8.10	78	6.10	2.46	19.41	97.84	65	34.64	
September	"	349.90	6.19	7.59	144.65	4.51	5.08	22.15	7.99	7.99	80	5.81	2.52	19.62	95.77	67	26.55	
October	"	338.49	5.83	8.04	138.80	4.75	4.89	24.80	7.09	7.09	78	5.75	2.51	17.36	93.12	1,03	23.74	
November	"	354.19	6.15	7.75	147.87	4.97	4.24	23.08	6.82	6.82	91	5.66	2.92	16.74	98.80	76	27.52	
December	"	358.49	5.64	7.38	145.93	4.61	4.58	24.37	6.88	6.88	98	5.78	2.66	16.16	104.47	93	28.12	
January	1960..	334.27	5.75	7.80	144.46	4.58	4.22	24.18	7.33	7.33	29	5.05	2.17	15.01	86.76	1,04	25.63	
February	"	348.18	6.15	7.56	146.29	4.01	4.16	23.69	6.42	6.42	34	4.83	1.86	13.53	102.61	91	25.82	
March	"	383.48	6.62	8.48	145.13	4.60	4.72	24.64	6.81	6.81	83	4.83	2.12	17.93	123.87	81	32.09	
April	"	372.21	6.22	8.82	150.30	5.23	5.09	24.43	7.09	7.09	97	5.97	2.31	20.04	102.26	81	31.77	
May	"	374.36	5.84	7.87	148.62	4.85	5.09	24.28	7.11	7.11	105	5.04	2.71	20.61	101.99	1,23	38.07	
June	"	382.66	6.12	7.37	161.21	4.44	5.14	24.50	8.60	8.60	99	4.72	2.52	19.10	101.34	44	36.17	
July	"	383.37	6.97	8.46	144.35	4.77	5.14	25.34	8.54	8.54	1,10	4.96	3.11	16.13	106.42	70	31.08	
August	"	365.22	7.85	7.41	135.56	4.92	5.59	26.37	8.50	8.50	1,03	4.72	2.61	17.10	104.83	71	22.01	
September	"	354.89	6.40	8.49	139.19	4.21	4.48	24.41	5.99	5.99	1,04	5.28	2.13	15.89	96.61	70	25.41	
October	"	362.17	7.11	8.49	137.24	4.86	4.95	24.30	7.78	7.78	1,09	5.62	2.34	16.68	96.19	78	27.59	
November	"	362.49	6.39	10.15	130.70	5.89	4.80	24.94	6.93	6.93	1,14	6.16	2.13	17.31	99.45	1,05	30.65	
December	"	342.57	5.55	8.09	128.23	4.78	3.96	25.31	6.93	6.93	1,04	5.72	2.09	16.12	89.14	66	29.46	
1958-59	..	13,716.14	260.41	140.92	5,431.51	225.66	160.59	920.21	217.13	217.13	9,22	161.73	128.94	533.24	4,474.64	15,27	1,036.67	
1959-60	..	14,422.42	281.62	168.15	5,775.25	235.40	185.01	997.75	231.45	231.45	13,98	184.87	94.30	578.27	4,492.05	13,85	1,170.47	
April	1959..	1,236.81	24.38	14.18	495.97	18.96	16.11	80.67	18.46	18.46	1,11	13.23	7.30	47.06	389.44	1,12	108.82	
May	"	1,129.36	21.55	11.39	471.50	16.76	14.89	77.62	20.64	20.64	1,10	14.66	5.75	47.38	344.09	91	81.52	
June	"	1,067.32	22.60	9.30	440.08	19.66	13.66	70.82	20.44	20.44	81	12.17	7.67	42.05	335.19	1,34	71.53	
July	"	1,175.96	28.12	15.55	456.27	18.61	16.74	85.16	19.55	19.55	1,06	15.03	8.90	44.69	338.31	1,14	126.83	
August	"	1,122.11	22.37	12.78	429.28	16.49	13.93	78.71	18.23	18.23	1,17	15.18	7.63	47.44	368.61	1,14	89.15	
September	"	1,198.12	23.58	15.75	458.84	16.80	13.88	86.71	18.73	18.73	1,67	13.95	11.07	46.67	367.12	1,15	92.38	
October	"	1,214.27	21.45	14.95	487.62	19.42	17.87	81.74	18.49	18.49	79	18.57	6.90	46.67	386.23	1,23	89.58	
November	"	1,215.76	24.00	14.41	485.30	22.11	16.18	87.77	18.83	18.83	85	22.90	8.87	61.86	469.78	1,37	96.13	
December	"	1,384.32	21.91	15.20	541.04	22.71	15.10	86.11	18.83	18.83	50	15.89	7.49	53.71	307.32	1,10	96.64	
January	1960..	1,203.28	21.31	16.31	540.54	21.39	14.70	86.11	20.27	20.27	43	13.76	7.25	49.29	380.99	1,01	92.73	
February	"	1,205.94	24.19	14.38	484.80	20.80	13.60	83.10	19.41	19.41	3,96	14.04	4.91	44.24	410.86	81	114.44	
March	"	1,269.17	25.96	13.95	484.01	21.69	16.35	94.49	19.46	19.46	3,96	14.04	4.91	44.24	410.86	81	114.44	

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	1,364.23	29.70	20.27	514.73	20.37	14.58	96.97	23.51	5.40	15.48	8.15	66.63	434.04	97	113.43
April	..	1,295.99	21.91	521.02	19.61	15.24	91.98	19.90	88	14.82	7.72	58.69	409.43	1.40	98.23
May	..	1,283.90	25.07	514.80	19.62	12.78	86.87	22.06	76	12.97	7.37	57.38	424.89	72	84.62
June	..	1,292.28	21.17	439.08	21.67	16.40	95.06	20.77	1.02	14.32	9.19	56.45	409.53	1.05	105.81
July	..	1,256.38	21.15	396.66	62.48	19.04	91.96	19.78	77	14.38	5.94	63.59	437.23	1.18	91.79
August	..	1,270.70	24.74	440.81	18.67	13.89	80.95	17.92	63	13.25	4.45	51.60	435.79	1.30	87.38
September	..	1,375.64	18.76	482.38	76.79	17.44	95.94	19.43	73	16.44	7.46	48.69	455.46	1.47	98.64
October	..	1,395.57	19.76	462.84	109.23	19.71	93.05	21.57	95	17.11	4.53	52.43	461.75	1.40	97.66
November	..	1,349.90	20.14	459.85	71.45	21.76	92.95	20.96	2.59	17.57	7.12	60.85	438.26	1.14	100.28
December
1958-59	..	39.6	43.5	39.0	47.9	37.1	42.2	28.1	11.2	32.0	45.6	37.0	47.6	15.7	27.4
1959-60	..	40.6	45.7	40.5	51.6	38.9	42.5	31.4	18.6	33.7	38.8	35.0	45.7	14.9	34.0
April	1959..	42.0	48.8	42.3	52.2	37.9	43.2	34.2	14.0	29.6	37.8	37.5	48.9	10.7	31.2
May	..	38.3	43.2	42.8	44.9	38.6	42.5	32.2	9.8	30.6	37.1	39.6	43.0	9.3	19.6
June	..	33.7	44.5	37.0	55.0	33.7	38.1	28.7	13.1	27.3	32.1	32.9	42.4	16.4	13.5
July	..	40.8	51.0	39.2	46.0	39.7	43.4	28.4	16.5	33.0	37.3	30.6	45.2	14.1	45.5
August	..	37.3	39.1	35.9	42.1	30.6	39.0	27.0	18.0	29.9	37.2	29.3	45.2	21.0	30.9
September	..	41.1	45.7	38.1	44.7	37.5	47.0	28.1	14.0	32.0	50.3	28.9	49.4	20.6	41.8
October	..	43.0	44.2	42.2	49.1	43.9	39.6	31.3	25.7	29.1	52.9	32.3	47.3	17.8	56.0
November	..	41.2	46.8	39.4	53.4	45.8	44.1	33.3	10.4	39.4	28.4	33.5	46.9	19.4	39.1
December	..	46.3	46.6	44.5	59.1	39.6	43.2	32.8	10.4	47.5	40.0	45.9	54.0	17.7	41.0
January	1960..	43.2	44.5	44.9	56.0	41.8	42.7	33.2	20.7	37.8	41.4	42.9	42.5	12.7	45.2
February	..	41.6	47.6	39.8	62.2	39.2	42.1	36.3	15.2	34.2	46.8	43.7	44.6	13.3	43.1
March	..	39.7	47.1	40.0	56.6	41.6	46.0	34.3	57.3	34.9	27.8	29.6	39.8	12.0	42.8
April	..	44.0	57.3	41.1	46.7	34.4	47.6	39.8	66.8	31.1	42.3	38.2	50.9	14.4	42.8
May	..	41.5	45.0	42.1	48.5	35.9	45.5	33.6	10.1	35.3	34.2	34.2	48.2	13.7	31.0
June	..	40.3	49.2	38.3	53.0	29.8	42.5	30.8	9.2	33.0	35.1	36.1	50.3	19.6	28.1
July	..	40.5	36.4	36.5	54.5	38.3	45.0	29.2	11.1	34.6	35.5	42.0	46.2	18.0	40.9
August	..	41.3	37.3	35.1	51.2	46.8	41.8	27.9	9.0	36.6	27.3	44.6	50.1	19.9	50.0
September	..	43.0	47.1	38.0	50.9	37.2	39.8	35.9	7.3	30.1	25.1	39.0	54.1	22.3	41.3
October	..	45.6	31.7	21.8	42.2	54.5	47.4	30.0	8.0	35.1	38.3	35.0	56.8	22.6	42.9
November	..	46.2	37.1	20.7	42.5	49.8	44.8	37.4	10.0	33.3	25.5	36.3	55.7	16.0	38.2
December	..	47.3	43.5	43.0	56.2	53.5	44.1	36.3	34.0	36.9	40.9	45.3	59.0	20.7	40.8

(a) Relate only to centres with a population of one lakh and over; inclusive of centrally administered areas. (b) Till June 1960 the figures relate to the former Bombay State. (c) Include credit balances in cash credits. Annual figures are averages of month end deposits while monthly figures are outstanding at the end of period. (d) Debits to current deposits during the year (or month) divided by the monthly average of (or month end) current deposits. Monthly rates are expressed on an annual basis.

REPORT ON CURRENCY AND FINANCE, 1960-61

STATEMENT 32

SAVINGS DEPOSITS WITH SCHEDULED BANKS

(Lakhs of Rupees)

Last Friday			All Scheduled Banks	Indian Scheduled Banks	Foreign Banks
			1	2	3
1955-56	..	..	169,43	155,01	14,41
1956-57	..	..	190,61	175,01	15,61
1957-58	..	..	208,14	190,80	17,34
1958-59	..	..	228,78	208,94	19,85
1959-60	..	..	253,36	231,67	21,69
1960-61	..	..	281,81	256,16	25,65
April 1959	..	..	232,17	212,10	20,06
May "	..	..	234,03	213,76	20,27
June "	..	..	236,14	215,80	20,34
July "	..	..	239,48	218,90	20,57
August "	..	..	241,00	220,26	20,73
September "	..	..	243,07	222,23	20,85
October "	..	..	245,04	223,80	21,24
November "	..	..	246,69	225,40	21,29
December "	..	..	248,62	227,22	21,40
January 1960	..	..	249,44	227,94	21,51
February "	..	..	251,36	229,79	21,57
March "	..	..	253,36	231,67	21,69
April "	..	..	259,44	237,26	22,17
May "	..	..	259,88	237,58	22,29
June "	..	..	260,97	238,64	22,33
July "	..	..	265,39	242,73	22,66
August "	..	..	267,14	244,19	22,95
September "	..	..	267,57	243,89	23,68
October "	..	..	270,98	246,75	24,23
November "	..	..	271,45	247,05	24,40
December "	..	..	277,39	252,26	25,13
January 1961	..	..	275,01	249,85	25,16
February "	..	..	277,60	252,24	25,36
March "	..	..	281,81	256,16	25,65

STATEMENT 34

STATE CO-OPERATIVE BANKS MAINTAINING ACCOUNTS WITH THE RESERVE BANK OF INDIA

(Amount in Lakhs of Rupees)																				
Number of re- porting banks	DEMAND AND TIME LIABILITIES														Borrow- ings from Reserve Bank					
	DEMAND							TIME												
	Aggre- gate Liabili- ties (a) (3-8 + 13)			Aggre- gate Depo- sits (6+11)				Total	DEPOSITS		Borrow- ings from banks	Others (b)		Total		DEPOSITS		Borrow- ings from banks	Others (c)	
	1	2	3	4	5	6	7		8	9		10	11			12	13		14	
Average of Friday Figures																				
1950-51	17.20	9.52			1.44	8.09	10.02			91	9.11							11.22
1955-56	25.83	10.76			3.33	10.43	15.44			3	15.41							18.61
1956-57	30.01	13.95			1.03	12.92	17.11			1	17.10							30.30
1957-58	33.16	16.51			1.05	15.46	17.80			10	17.70							46.80
1958-59	40.14	20.18			1.39	18.79	21.37			2	21.35							67.60
1959-60	46.88	23.30			1.96	21.34	25.54			—	25.54							88.01
1960-61	53.86	22.97			.6	22.61	31.52			28	31.24							
			(35.79)	31.70	7.06	13.68		79		13.19	18.01		3.31							
As at the close of last Friday																				
1950-51	..	7	17.77	9.81			1.04	8.77	10.11			1,11	9.00							13.20
1955-56	..	17	28.49	12.30			3.37	11.93	16.56			17	17.15							22.28
1956-57	..	18	32.00	15.59			7.4	14.85	17.32			3	19.00							35.01
1957-58	..	16	36.03	18.66			1.64	17.02	19.03			—	23.13							49.72
1958-59	..	16	41.51	19.50			1.11	18.39	23.13			—	25.41							75.17
1959-60	..	20	48.38	24.57	9.45	15.61	1.59	22.98	25.41	14.93	19.32	—	3.07							88.29
1960-61	..	20	63.28	25.95			—	89	37.33			—								
			(38.50)																	
Friday figures																				
April																				
1, 1960	..	20	51.25	27.22			1.48	25.74	25.52			—	25.51							73.72
8, " "	..	20	53.00	28.41			2.02	26.40	26.61			—	26.61							69.62
15, " "	..	20	53.30	28.57			2.31	26.26	27.04			—	27.04							68.43
22, " "	..	20	52.89	28.64			3.40	25.24	27.65			—	27.65							68.04
29, " "	..	20	53.84	30.26			3.96	26.30	27.53			—	27.53							69.49
May																				
6, " "	..	20	51.06	29.81			4.67	25.13	25.92			—	25.92							70.06
13, " "	..	20	56.21	24.75			6	24.68	31.53			—	31.53							68.92
20, " "	..	20	56.66	26.22			6	26.16	30.50			—	30.50							68.11
27, " "	..	20	55.68	25.76			7	25.69	29.98			—	29.98							70.38
June																				
3, " "	..	20	55.37	25.88			10	25.78	29.59			—	29.59							72.17
10, " "	..	20	54.21	25.34			16	25.18	29.03			—	29.03							73.85
17, " "	..	20	53.24	24.04			13	23.91	29.33			—	29.33							75.26
24, " "	..	20	53.11	23.96			4	23.92	29.19			—	29.19							79.79

D1

Month	Day	1960										1961										1962										1963										1964										1965										1966										1967										1968										1969										1970										1971										1972										1973										1974										1975										1976										1977										1978										1979										1980										1981										1982										1983										1984										1985										1986										1987										1988										1989										1990										1991										1992										1993										1994										1995										1996										1997										1998										1999										2000										2001										2002										2003										2004										2005										2006										2007										2008										2009										2010										2011										2012										2013										2014										2015										2016										2017										2018										2019										2020										2021										2022										2023										2024										2025										2026										2027										2028										2029										2030										2031										2032										2033										2034										2035										2036										2037										2038										2039										2040										2041										2042										2043										2044										2045										2046										2047										2048										2049										2050										2051										2052										2053										2054										2055										2056										2057										2058										2059										2060										2061										2062										2063										2064										2065										2066										2067										2068										2069										2070										2071										2072										2073										2074										2075										2076										2077										2078										2079										2080										2081										2082										2083										2084										2085										2086										2087										2088										2089										2090										2091										2092										2093										2094										2095										2096										2097										2098										2099										2100										2101										2102										2103										2104										2105										2106										2107										2108										2109										2110										2111										2112										2113										2114										2115										2116										2117										2118										2119										2120										2121										2122										2123										2124										2125										2126										2127										2128										2129										2130										2131										2132										2133										2134										2135										2136										2137										2138										2139										2140										2141										2142										2143										2144										2145										2146										2147										2148										2149										2150										2151										2152										2153										2154										2155										2156										2157										2158										2159										2160										2161										2162										2163										2164										2165										2166										2167										2168										2169										2170										2171										2172										2173										2174										2175										2176										2177										2178										2179										2180										2181										2182										2183										2184										2185										2186										2187										2188										2189										2190										2191										2192										2193										2194										2195										2196										2197										2198										2199										2200										2201										2202										2203										2204										2205										2206										2207										2208										2209										2210										2211										2212										2213										2214										2215										2216										2217										2218										2219										2220										2221										2222										2223										2224										2225										2226										2227										2228										2229										2230										2231										2232										2233										2234										2235										2236										2237										2238										2239										2240										2241										2242										2243										2244										2245										2246										2247										2248										2249										2250										2251										2252										2253										2254										2255										2256										2257										2258										2259										2260										2261										2262										2263										2264										2265										2266										2267										2268										2269										2270										2271										2272										2273										2274										2275										2276										2277										2278										2279										2280										2281										2282										2283										2284										2285										2286										2287										2288										2289										2290										2291										2292										2293										2294										2295										2296										2297										2298										2299										2300										2301										2302										2303										2304										2305										2306										2307										2308										2309										2310										2311										2312										2313										2314										2315										2316		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REPORT ON CURRENCY AND FINANCE, 1960-61

STATEMENT 34—(Contd.) STATE CO-OPERATIVE BANKS MAINTAINING ACCOUNTS WITH THE RESERVE BANK OF INDIA

(Amount in Lakhs of Rupees)

Borrowings from State Bank And/Or A Notified Bank										Cash in Hand and Balances with Reserve Bank					ASSETS										As percentage of aggregate liabilities																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																									
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15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
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1950-51	..	19	19(f)	97	49	48	85	13.28	2.57	12.16	9.59	2.57	10.67	5.6	..	70.7	..	19(f)	1(f)	97	49	48	85	13.28	2.57	12.16	9.59	2.57	10.67	5.6	..	70.7	..	19	19(f)	97	49	48	85	13.28	2.57	12.16	9.59	2.57	10.67	5.6	..	70.7																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																		
1955-56	..	70	58	1.41	74	67	1.12	14.88	3.64	22.55	17.70	4.85	19.25	5.5	..	87.3	..	70	58	1.41	74	67	1.12	14.88	3.64	22.55	17.70	4.85	19.25	5.5	..	87.3	..	70	58	1.41	74	67	1.12	14.88	3.64	22.55	17.70	4.85	19.25	5.5	..	87.3																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																		
1956-57	..	1.58	97	..	82	..	1.52	14.15	3.64	32.43	25.73	6.70	26.28	108.0	..	1.58	97	..	82	..	1.52	14.15	3.64	32.43	25.73	6.70	26.28	108.0	..	1.58	97	..	82	..	1.52	14.15	3.64	32.43	25.73	6.70	26.28	108.0																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																		
1957-58	..	67	31	1.85	76	1.09	1.80	16.54	6.47	46.98	36.65	10.33	39.08	141.7	..	67	31	1.85	76	1.09	1.80	16.54	6.47	46.98	36.65	10.33	39.08	141.7	..	67	31	1.85	76	1.09	1.80	16.54	6.47	46.98	36.65	10.33	39.08	141.7																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																		
1958-59	..	6.56	5.61	2.06	76	1.30	2.50	19.17	8.01	63.49	49.87	13.62	50.05	4.6	4.6	158.1	..	6.56	5.61	2.06	76	1.30	2.50	19.17	8.01	63.49	49.87	13.62	50.05	4.6	4.6	158.1	..	6.56	5.61	2.06	76	1.30	2.50	19.17	8.01	63.49	49.87	13.62	50.05	4.6	4.6	158.1																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																		
1959-60	..	7.61	6.04	2.12	69	1.43	3.13	20.92	8.84	89.43	70.63	18.80	76.02	4.4	4.4	190.8	..	7.61	6.04	2.12	69	1.43	3.13	20.92	8.84	89.43	70.63	18.80	76.02	4.4	4.4	190.8	..	7.61	6.04	2.12	69	1.43	3.13	20.92	8.84	89.43	70.63	18.80	76.02	4.4	4.4	190.8																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																		
1960-61	10.15	118.49	101.73	16.76	21.15	3.9	3.9	220.0

REPORT ON CURRENCY AND FINANCE, 1960-61

July	1,	9.54	7.77	1.78	4.76	68	4.08	3.44	19.96	12.71	113.75	92.29	21.46	8.4	35.2	200.8
	8,	10.06	8.33	1.73	3.16	72	2.44	3.06	19.96	12.92	116.15	94.03	22.12	5.6	35.4	206.0
	15,	10.75	9.02	1.73	2.68	76	1.92	3.30	19.95	13.30	116.22	94.38	22.12	5.6	36.3	211.5
	22,	10.18	8.46	1.72	2.58	69	1.90	2.89	19.98	13.56	117.80	93.83	21.97	4.8	37.0	218.2
August	29,	9.67	7.76	1.92	2.06	71	1.35	2.57	19.79	11.87	119.46	91.60	21.86	3.8	36.6	220.7
	5,	10.27	8.29	1.99	2.35	69	1.66	2.78	19.49	10.71	120.28	98.14	22.14	4.4	36.1	222.9
	12,	9.35	7.48	1.87	2.20	70	1.51	2.49	19.41	10.37	120.19	98.00	22.19	4.1	36.3	225.0
	19,	9.14	7.27	1.87	1.91	64	1.28	3.11	19.59	11.85	121.42	99.32	22.10	3.5	35.9	222.3
	26,	8.60	6.78	1.82	1.79	64	1.15	3.11	19.45	11.49	122.71	100.04	22.67	3.2	35.2	221.9
September	2,	10.28	8.45	1.82	1.71	60	1.11	2.65	20.96	9.74	124.28	101.48	22.80	3.2	39.0	231.3
	9,	10.40	8.58	1.82	2.14	59	1.55	3.04	21.19	8.94	124.54	101.65	22.88	4.0	39.8	233.9
	16,	10.56	8.77	1.79	1.95	66	1.29	3.15	21.22	8.78	125.07	102.13	22.95	3.8	39.8	234.8
	23,	10.17	8.40	1.77	1.70	62	1.08	2.08	21.85	8.50	125.62	102.66	22.96	3.3	42.1	241.8
	30,	9.99	8.21	1.77	1.78	64	1.14	2.17	21.54	8.72	124.57	101.50	23.07	3.5	41.4	239.4
October	7,	11.17	9.38	1.78	1.87	68	1.20	2.32	21.53	8.49	126.19	102.85	23.35	3.7	42.8	230.9
	14,	11.51	9.76	1.74	2.09	65	1.44	3.71	21.83	7.20	127.41	104.25	23.16	4.2	43.5	233.9
	21,	11.41	9.65	1.76	1.85	65	1.21	2.13	21.83	7.35	128.13	104.84	23.28	3.7	43.1	233.1
	28,	11.59	9.83	1.76	1.80	69	1.11	2.18	21.78	7.36	128.48	105.14	23.34	3.5	43.2	234.8
November	4,	11.19	9.40	1.79	1.94	62	1.31	2.95	22.05	7.48	129.22	105.89	23.33	3.8	43.3	233.7
	11,	10.07	8.28	1.78	1.91	66	1.25	2.73	22.05	7.01	128.82	105.89	22.94	3.8	43.6	234.8
	18,	9.47	7.86	1.61	1.73	66	1.08	3.18	22.08	6.70	127.38	104.36	22.82	3.4	43.6	231.5
	25,	9.41	7.57	1.85	1.74	64	1.11	3.43	22.08	6.82	127.96	105.10	22.85	3.4	42.9	248.6
December	2,	8.99	7.35	1.63	1.88	59	1.29	2.88	22.08	6.95	127.92	104.71	23.21	3.6	42.3	244.9
	9,	9.29	7.66	1.63	1.69	58	1.11	3.46	22.08	6.98	127.75	104.49	23.26	3.2	42.3	245.0
	16,	8.84	7.38	1.46	1.72	62	1.30	2.99	22.13	6.66	126.29	103.10	23.19	3.3	42.2	240.5
	23,	8.99	7.57	1.42	1.95	65	1.30	2.93	22.16	6.72	126.14	102.89	23.25	3.7	42.1	240.1
	30,	8.92	7.51	1.41	2.18	59	1.58	2.84	22.12	6.98	127.34	103.72	23.62	4.0	41.1	236.5
January	6,	8.93	7.53	1.41	1.83	64	1.19	2.66	22.10	6.71	127.12	52.89	74.13	3.5	42.8	246.1
	13,	8.54	7.21	1.33	1.82	65	1.17	2.72	22.10	6.85	128.73	63.32	65.31	3.5	42.4	247.2
	20,	9.62	8.44	1.18	1.66	63	1.03	2.76	22.12	7.11	127.47	55.14	72.22	3.1	41.7	240.3
	27,	1.10	35	75	1.84	65	1.19	2.77	22.12	7.60	127.40	55.08	72.22	3.4	41.1	237.0
February	3,	1.18	36	82	2.10	57	1.53	2.43	22.12	7.56	127.28	55.78	71.39	3.4	41.1	237.0
	10,	1.31	30	1.01	1.77	54	1.23	2.50	22.11	8.18	127.30	56.81	70.41	3.8	40.5	232.8
	17,	1.52	49	1.03	2.06	60	1.46	2.38	22.11	8.34	127.54	57.50	69.94	3.7	39.2	226.4
	24,	1.56	30	1.26	2.11	63	1.48	2.53	22.11	8.31	126.83	57.62	69.12	3.7	38.6	221.2
March	3,	1.81	51	1.30	1.78	62	1.16	2.60	22.11	8.47	126.62	58.55	67.98	3.1	38.3	219.2
	10,	1.88	46	1.41	1.92	69	1.23	3.16	21.84	8.12	124.05	58.32	65.65	3.4	38.6	219.5
	17,	1.92	51	1.41	1.98	76	1.22	2.11	21.79	8.34	122.64	58.32	64.23	3.5	38.5	216.8
	24,	1.51	20	1.32	1.97	61	1.36	2.78	21.78	8.91	122.21	57.56	64.46	3.4	37.2	208.9
	31,	1.44	26	1.18	2.60	1.01	1.59	4.39	21.78	10.15	124.48	61.99	62.40	4.1	34.4	196.7
											(62.08)					(159.6)

(a) Figures in brackets are exclusive of inter-bank deposits (b) Corresponds to the total of columns 5, 6 and 8 upto December 1960. (c) Corresponds to the total of columns 10, 11 and 13 upto December 1960. (d) At book value, includes Treasury Bills and Treasury Deposit Receipts. (e) Figures in brackets are exclusive of 'due from banks'. (f) Average of 51 weeks.

STATEMENT 35

CHEQUE CLEARANCES (ANNUAL AND MONTHLY)

(Number in Thousands)
(Rupees in Lakhs)

Period	Total		Bangalore		Bombay		Calcutta		Kanpur		Madras		Nagpur		New Delhi		Other Centres (a)		
	Num-ber	Amo-unt	Num-ber	Amo-unt	Num-ber	Amo-unt	Num-ber	Amo-unt	Num-ber	Amo-unt	Num-ber	Amo-unt	Num-ber	Amo-unt	Num-ber	Amo-unt	Num-ber	Amo-unt	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	
1950-51	..	2,178	553.18	58	5.91	809	239.79	541	198.86	53	11.35	264	36.01	21	2.34	56	4.10	376	54.82
1955-56	.	3,100	663.02	78	8.82	1,123	255.94	698	251.17	76	12.44	351	35.55	30	4.05	106	10.93	649	84.13
1956-57	.	3,334	727.03	87	10.31	1,233	276.06	717	266.46	75	13.89	354	42.73	33	5.16	130	20.60	706	91.83
1957-58	.	3,473	746.23	93	11.70	1,264	285.70	709	257.70	79	15.21	361	42.92	33	4.75	146	27.18	788	101.08
1958-59	..	3,764	813.93	103	14.40	1,341	310.36	722	275.53	81	14.69	377	44.07	34	4.99	165	30.96	943	118.92
1959-60	.	4,172	915.67	118	17.60	1,481	347.58	765	296.44	88	16.45	409	51.63	36	5.25	193	37.30	1,081	143.42
1960-61	..	4,539	1,042.76	126	18.84	1,615	376.22	803	348.50	93	18.32	410	55.45	37	6.21	223	49.53	1,231	169.69
April	1960	4,556	1,042.01	132	21.93	1,560	366.43	849	337.74	107	21.01	430	59.71	39	6.83	232	59.03	1,186	169.33
May	"	4,588	1,019.66	121	17.23	1,668	380.34	764	319.29	102	20.72	427	58.90	36	5.50	223	49.47	1,248	168.21
June	"	4,227	956.02	114	16.27	1,513	351.13	720	315.84	85	16.19	394	51.49	33	5.43	205	44.95	1,164	154.71
July	"	4,210	952.59	116	16.00	1,520	357.43	716	304.29	86	15.90	399	51.48	32	5.07	208	53.05	1,133	149.37
August	"	4,377	996.31	126	17.78	1,496	347.45	821	352.94	84	16.34	393	55.03	35	5.45	221	43.51	1,200	157.81
September	"	4,313	971.59	117	18.26	1,670	372.61	731	322.96	74	14.33	369	50.97	36	5.77	221	43.12	1,095	143.56
October	"	4,707	1,042.18	130	17.57	1,723	378.90	803	352.46	85	17.06	448	57.13	37	5.47	238	41.41	1,241	172.17
November	"	4,695	1,078.36	129	18.62	1,679	397.71	857	366.87	95	18.19	398	55.87	38	6.80	231	43.23	1,266	171.08
December	"	4,829	1,118.52	129	18.01	1,734	410.61	870	379.30	101	18.89	414	54.76	38	7.56	233	50.28	1,310	179.09
January	1961	4,875	1,100.37	132	18.41	1,731	393.07	834	357.34	104	20.31	416	56.09	41	7.05	226	56.76	1,392	191.34
February	"	4,421	1,022.19	122	18.86	1,570	362.31	781	337.45	93	19.49	393	52.12	37	6.75	212	47.33	1,213	177.90
March	"	4,695	1,213.37	144	27.19	1,523	396.70	895	435.57	103	21.36	442	61.83	38	6.83	225	62.23	1,325	201.67

Note :—Annual figures are averages of months

(a) Comprising clearing houses managed by State Bank of India, State Bank of Hyderabad and Sangh Bank

REPORT ON CURRENCY AND FINANCE, 1960-61

STATEMENT 36

MONEY RATES

(Per cent per annum)

RESERVE BANK OF INDIA

				ADVANCES TO SCHEDULED BANKS ¹		ADVANCES TO STATE CO-OPERATIVE BANKS					
Bank Rate				For general banking purposes [Sec. 17 (4) (a)]	For financing bonafide commercial or trade transactions [Sec. 17 (4) (c)]	For general banking purposes [Sec. 17 (4) (a)]	For financing bonafide commercial or trade transactions [Sec. 17 (2) (a) or (4) (c)]	For seasonal agricultural operations and marketing of crops [Sec. 17 (4) (a), (2) (b) or (4) (c)]	For financing co-operative sugar factories [Sec. 17 (2)(b) or (4) (c)]	For financing of cottage industries (Handloom) [Sec. 17 (2) (bb) or (4) (c)] ²	Medium-term loans for agricultural purposes [Sec. 17 (4) (AA) read with Sec. 46A (2)(b)] ²
		1	2	3	4	5	6	7	8	9	
1955-56	.. ..	3½	3½	3-3½(a)	3½	3½	1½		2(b)	1½	
1956-57	.. ..	3½	3½-4(c)	3½-3½(d)	3½-4(e)	3½	1½		2	1½	
1957-58	.. ..	3½-4(f)	4	3½-4(f)(g)	4	3½-4(f)	1½-2(f)	3½-4(f)	2-2½(f)	1½-2(f)	
1958-59	.. ..	4	4	4	4	4	2	4	2½	2	
1959-60	.. ..	4	4	4	4	4	2	4	2½	2	
1960-61	.. ..	4	4	4	4	4	2	4	2½	2-2½(i)	
April 1960	.. ..	4	4	4	4	4	2	4	2½	2	
May	" ..	4	4	4	4	4	2	4	2½	2	
June	" ..	4	4	4	4	4	2	4	2½	2	
July	" ..	4	4	4	4	4	2	4	2½	2	
August	" ..	4	4	4	4	4	2	4	2½	2	
September	" ..	4	4	4	4	4	2	4	2½	2	
October	" ..	4	4	4	4	4	2	4	2½	2	
November	" ..	4	4	4	4	4	2	4	2½	2½	
December	" ..	4	4	4	4	4	2	4	2½	2½	
January 1961	.. ..	4	4	4	4	4	2	4	2½	2½	
February	" ..	4	4	4	4	4	2	4	2½	2½	
March	" ..	4	4	4	4	4	2	4	2½	2½	

STATE BANK OF INDIA

CALL LOAN DEPOSITS AT NOTICE														FIXED DEPOSITS* §					
OF 7 DAYS* §														1 month			2 months		
Hundi	Ad-	Sche-	Co-ope																
rate	vance	duled	rative	Bom-	Cal-	Mad-	Bom-	Cal-	Mad-	Bom-	Cal-	Mad-							
10	11	12	13	14	15	16	17	18	19	20	21	22							
1955-56							
1956-57							
1957-58							
Apr.-Sept.							
1958-59							
Oct.-Mar.							
1959-60							
1960-61¶							
April 1960							
May "							
June "							
July "							
August "							
September "							
October "							
November "							
December "							
January 1961							
February "							
March "							

STATEMENT 36—(Contd.)**MONEY RATES**

(Per cent per annum)

		STATE BANK OF INDIA—Contd.						OTHER SELECTED MAJOR SCHEDULED BANKS					
		FIXED DEPOSITS %*—Contd.									CALL MONEY FROM BANKS*§		
		3 months			6 months			12 months					
		Bom- bay 23	Cal- cutta 24	Mad- ras 25	Bom- bay 26	Cal- cutta 27	Mad- ras 28	Bom- bay 29	Cal- cutta 30	Mad- ras 31	Bom- bay 32	Cal- cutta 33	Mad- ras 34
1955-56	Apr.-Nov.	..	..	..	..	..	..	..	..	..	3 5/16	4 1/2	3 1/2
1956-57	Dec.-Mar.	2-3	1 1/2	1 1/2-3	2	2	2	1 1/2-3 1/2	2 1/2	2 1/2-3 1/2	3 1/4-4 5/16	3 1/2-4 1/2	3 1/4-4 1/2
1957-58	Apr.-Sept.	2 1/2-3	1 1/2-3	1 1/2-3	2	2-3 1/2	2	2 1/2	2 1/2	2 1/2	2 1/4-4 1/2	2 1/2-5 1/2	3-4 3/16
1958-59	Oct.-Mar.	2 1/2-3	1 1/2-2 1/2	1 1/2-2 1/2	2	2-3 1/2	2-3 1/2	2 1/2	2 1/2	2 1/2	2-4 7/16	2-4 1/2	2 1/2-3 1/2
1959-60	..	2 1/2-3	1 1/2-2 1/2	1 1/2-3 1/2	2-2 1/2	2	2-3 1/2	2 1/2	2 1/2	2 1/2	2 1/4	2 1/4-3 1/2	1 1/2-4
1960-61¶	April 1960	2-3 3/4	2-2 3/4	2-4 1/2	2-3 1/2	2-3 1/2	2-5 1/2	2-7 1/2	2-6 1/2	2-7 1/2	4-2 1/2	4-3 1/2	3-7 1/2
May	"	2-3 1/2	2-2 1/2	2 1/2	2	2	2	2 1/2	2 1/2	2 1/2	3 1/2-4 1/2	3 1/2-4 1/2	3 1/2-4
June	"	2-3 1/2	2-2 1/2	2 1/2	2	2	2	2 1/2	2 1/2	2 1/2	3 1/2-4 1/2	3 1/2-4 1/2	3 1/2-4
July	"	2-3 1/2	2-2 1/2	2 1/2	2	2	2	2 1/2	2 1/2	2 1/2	3 1/2-4 1/2	3 1/2-4 1/2	3 1/2-4
August	"	2-3 1/2	2-2 1/2	2 1/2	2	2	2	2 1/2	2 1/2	2 1/2	3 1/2-4 1/2	3 1/2-4 1/2	3 1/2-4
September	"	2-3 1/2	2-2 1/2	2 1/2	2	2	2	2 1/2	2 1/2	2 1/2	3 1/2-4 1/2	3 1/2-4 1/2	3 1/2-4
October	"	2-3 1/2	2-2 1/2	2 1/2	2	2	2	2 1/2	2 1/2	2 1/2	3 1/2-4 1/2	3 1/2-4 1/2	3 1/2-4
November	"	2-3 1/2	2-2 1/2	2 1/2	2	2	2	2 1/2	2 1/2	2 1/2	3 1/2-4 1/2	3 1/2-4 1/2	3 1/2-4
December	"	2-3 1/2	2-2 1/2	2 1/2	2	2	2	2 1/2	2 1/2	2 1/2	3 1/2-4 1/2	3 1/2-4 1/2	3 1/2-4
January 1961	"	2-3 1/2	2-2 1/2	2 1/2	2	2	2	2 1/2	2 1/2	2 1/2	3 1/2-4 1/2	3 1/2-4 1/2	3 1/2-4
February	"	2-3 1/2	2-2 1/2	2 1/2	2	2	2	2 1/2	2 1/2	2 1/2	3 1/2-4 1/2	3 1/2-4 1/2	3 1/2-4
March	"	2-3 1/2	2-2 1/2	2 1/2	2	2	2	2 1/2	2 1/2	2 1/2	3 1/2-4 1/2	3 1/2-4 1/2	3 1/2-4

OTHER SELECTED MAJOR SCHEDULED BANKS—(Contd.)

		DEPOSITS AT NOTICE OF 7 DAYS*§			FIXED DEPOSITS*§					
					1 month			2 months		
		Bombay 35	Calcutta 36	Madras 37	Bombay 38	Calcutta 39	Madras 40	Bombay 41	Calcutta 42	Madras 43
1955-56	..	..	..	..	..	..	..	..	..	..
1956-57	..	..	..	..	..	..	..	..	..	..
1957-58	..	..	..	..	..	..	..	..	..	..
1958-59	Oct.-Mar.	2 1/2-3 1/2	2 1/2-3 1/2	1 1/2-3 1/2	..	..	..	..	..	..
1959-60	..	2 1/2-3 1/2	2 1/2-3 1/2	2 1/2-3 1/2	..	..	..	..	..	..
1960-61¶	April 1960	3-4	2-7 1/2	2-7 1/2	3-22	3-22	3-15	3-30	3-30	3-24
May	"	3-3 1/2	3-3 1/2	2 1/2-3 1/2	..	..	..	..	..	..
June	"	3-3 1/2	3-3 1/2	2 1/2-3 1/2	..	..	..	..	..	..
July	"	3-3 1/2	3-3 1/2	2 1/2-3 1/2	..	..	..	..	..	..
August	"	3-20	3-18	3-3 1/2	..	..	..	..	..	..
September	"	2-8 1/2	3-00	3-00	..	..	..	..	..	..
October	"	2-00	2-01	2-00	3-25	3-22	3-23	3-25	3-25	3-16
November	"	2-03	2-00	2-00	3-25	3-24	3-18	3-36	3-36	3-25
December	"	2-00	2-00	+	3-00	2-83	2-97	3-25	3-14	3-19
January 1961	"	2-00	2-00	+	3-00	2-95	+	3-25	3-13	3-25
February	"	2-00	2-00	2-00	3-00	2-98	3-00	3-25	3-23	3-25
March	"	2-87	2-59	3-00	2-98	2-96	3-00	3-21	3-45	3-19

REPORT ON CURRENCY AND FINANCE, 1960-61

STATEMENT 36 (Contd.)

MONEY RATES

(Per cent per annum)

OTHER SELECTED MAJOR SCHEDULED BANKS—Contd.												BAZAAR BILL RATE**†
FIXED DEPOSITS*‡												
3 Months			6 Months			12 Months						
Bom- bay	Cal- cutta	Mad- ras	Bom- bay	Cal- cutta	Mad- ras	Bom- bay	Cal- cutta	Mad- ras	Bom- bay	Cal- cutta	Mad- ras	
44	45	46	47	48	49	50	51	52	53	54	55	
1955-56	.. 3 ³ / ₈	2 ¹ / ₂	2 ¹ / ₂	3 ³ / ₈	2 ¹ / ₂	2 ¹ / ₂	3	..	..	10 ¹ / ₂	10 ¹ / ₂ -11	12
Apr.-Nov.	.. 3 ¹ / ₂	3	3	3 ¹ / ₂	3	3	..	..	..	9 ¹ / ₂	10 ¹ / ₂ -11	12
1956-57	.. 2 ⁵ / ₈ -4 ⁷ / ₁₆	2 ¹ / ₂ -4 ³ / ₈	2-4 ¹ / ₂	2-4 ⁵ / ₁₆	2 ¹ / ₂ -4	2-5	2 ¹ / ₂ -4 ⁷ / ₁₆	2-4	2-4	10 ¹ / ₂ -11 ¹ / ₂	10 ¹ / ₂ -11	12-12 ¹ / ₂
Dec.-Mar.	.. 3-4 ¹³ / ₁₆	2 ¹ / ₂ -4 ¹ / ₂	2 ¹ / ₂ -5	2 ¹ / ₂ -4 ¹¹ / ₁₆	2 ¹ / ₂ -4 ¹ / ₂	2 ¹ / ₂ -5	2 ¹ / ₂ -4 ¹ / ₂	2-4 ¹ / ₂	2-5	9 ¹ / ₂ -11 ¹ / ₂	9 ¹ / ₂ -11 ¹ / ₂	12 ¹ / ₂ -12 ²⁷ / ₃₂
1957-58	.. 2 ¹ / ₂ -4 ¹¹ / ₁₆	2 ¹ / ₂ -4 ⁷ / ₈	2-5	2 ¹ / ₂ -4 ¹¹ / ₁₆	2 ¹ / ₂ -4 ⁷ / ₈	2 ¹ / ₂ -4 ¹ / ₂	2-4 ¹ / ₂	2 ¹ / ₂ -4 ¹ / ₂	2 ¹ / ₂ -5	8 ¹ / ₂ -10 ¹ / ₂	9-11 ¹ / ₂	12 ²⁷ / ₃₂
Apr.-Sept.	.. 2 ¹ / ₂ -4 ¹¹ / ₁₆	2 ¹ / ₂ -4 ⁷ / ₈	2-5	2 ¹ / ₂ -4 ¹¹ / ₁₆	2 ¹ / ₂ -4 ⁷ / ₈	2 ¹ / ₂ -4 ¹ / ₂	2-4 ¹ / ₂	2 ¹ / ₂ -4 ¹ / ₂	2 ¹ / ₂ -5	8 ¹ / ₂ -10 ¹ / ₂	9-11 ¹ / ₂	12 ²⁷ / ₃₂
1958-59	.. 2 ¹ / ₂ -4	2 ¹ / ₂ -4	2 ¹ / ₂ -4	2 ¹ / ₂ -4	2-4	2 ¹ / ₂ -4	2 ¹ / ₂ -4	2-4	2 ¹ / ₂ -4	9-11 ¹ / ₂	9-10 ¹ / ₂	12-12 ²⁷ / ₃₂
Oct.-Mar.	.. 2 ¹ / ₂ -4	2 ¹ / ₂ -4	2 ¹ / ₂ -4	2 ¹ / ₂ -4	2 ¹ / ₂ -4	2 ¹ / ₂ -4	2 ¹ / ₂ -4	2 ¹ / ₂ -4	2 ¹ / ₂ -4	9-11 ¹ / ₂	9-10 ¹ / ₂	12-12 ²⁷ / ₃₂
1959-60	.. 3.50	3.47	3.40	3.49	3.41	3.47	3.43	3.21	3.29	9.00-	9.50-	12.00-
1960-61¶	.. 3.50	3.47	3.40	3.49	3.41	3.47	3.43	3.21	3.29	12.00	13.00	13.92
April 1960	.. 3-3 ¹ / ₂	2 ¹ / ₂ -3 ¹ / ₂	2 ¹ / ₂ -3 ¹ / ₂	2 ¹ / ₂ -3 ¹ / ₂	2 ¹ / ₂ -3 ¹ / ₂	2 ¹ / ₂ -3 ¹ / ₂	2 ¹ / ₂ -4	2 ¹ / ₂ -3 ¹ / ₂	2 ¹ / ₂ -3 ¹ / ₂	9-11 ¹ / ₂	9 ¹ / ₂ -10 ¹ / ₂	12
May "	.. 3.50	3.48	3.43	3.48	3.40	3.39	3.35	3.21	3.43	9.00-	9.50-	12.00
June "	.. 3.50	3.45	3.39	3.49	3.19	3.40	3.43	3.14	3.36	11.25	11.50	12.00
July "	.. 3.50	3.39	3.44	3.49	3.32	3.40	3.45	3.29	3.27	9.00-	10.50-	13.20
August "	.. 3.50	3.48	3.39	3.49	3.37	3.43	3.45	3.20	3.32	11.25	11.50	13.20
September "	.. 3.50	3.45	3.30	3.49	3.31	3.38	3.05	3.09	3.41	9.00-	10.50-	13.20
October "	.. 3.50	3.48	3.37	3.49	3.41	3.48	3.47	3.07	3.12	11.25	12.00	13.20
November "	.. 3.50	3.49	3.43	3.43	3.41	3.45	3.43	3.02	3.08	9.00-	11.00-	13.92
December "	.. 3.50	3.48	3.41	3.49	3.38	3.44	3.20	3.12	3.03	12.00	11.50-	13.92
January 1961	.. 3.50	3.49	3.50	3.50	3.48	3.50	3.50	3.37	3.32	12.00	11.50-	13.92
February "	.. 3.50	3.49	3.50	3.50	3.45	3.50	3.50	3.11	3.31	12.00	11.50-	13.92
March "	.. 3.50	3.49	3.47	3.57	3.65	3.57	3.78	3.75	3.91	12.00	13.00	13.92

(1) Effective from October 1, 1960, the rate is 1% above the Bank Rate for borrowings above 50% and upto 100% of the average of the reserves required to be maintained by each bank under the sub-section (i) of Section 42 of the Reserve Bank of India Act during each week of the previous quarter and 2% above the Bank Rate for borrowings beyond this further limit. (2) 2% below the Bank Rate upto October 31, 1960 and 1½% below the Bank Rate from November 1, 1960. (3) 1½% below the Bank Rate. (4) Prior to October 1, 1960 the rates relate to call loans above Rs. 5 lakhs; the loans below Rs. 5 lakhs were charged quarter per cent more during this period. (5) From October 27, 1958. (a) With effect from March 1, 1956. (b) In force from January 1956. (c) With effect from February 1, 1957. (d) With effect from November 21, 1956. (e) With effect from February 16, 1957. (f) With effect from May 16, 1957. (g) The effective borrowing rate including the stamp duties on usance bills amounts to 4 per cent on February 8, 1957 and to 4.2 per cent from May 16, 1957. (h) From March 7, 1956. (i) From November 1, 1960. (j) With effect from October 1, 1960. †No transaction *Prior to December 1956 data relate to last Friday of the years; from December 1956 to April 1960, data provide ranges during the period; subsequent data give weighted averages. § The rates relate to local head offices of the banks and include brokerage upto September 1958 and are exclusive of brokerage thereafter. ‡ Rate at which bills of small traders are reported to have been discounted by shroffs. These are unofficial quotations. **Prior to December 1956 data relate to last Friday of the years/months; subsequent data provide ranges during the period. ¶ Average of eleven months for columns 14 to 16, 23 to 37 and 44 to 52 and of six months for columns 17 to 22 and 38 to 43.

Sources : State Bank of India and selected major Scheduled banks.

REPORT ON CURRENCY AND FINANCE, 1960-61

STATE

LIABILITIES AND ASSETS (ANNUAL AND

(Issue and Banking

LIABILITIES								
		Notes in Circulation	Central Government	Other Governments	Deposits		Other Liabilities (a)	Total Liabilities or Assets (b)
					Banks	Others		
		1	2	3	4	5	6	7
Average of Friday figures								
1	1950-51	.. 1,163,21	148,60	17,71	62,22	62,29	290,82	28,14
2	1955-56	.. 1,339,39	60,11	19,85	53,77	18,31	152,04	45,59
3	1956-57	.. 1,475,77	57,52	14,10	52,46	19,73	143,81	101,21
4	1957-58	.. 1,529,36	54,61	11,28	81,00	111,38	258,27	149,36
5	1958-59	.. 1,593,88	57,62	20,80	87,53	118,73	284,67	156,77
6	1959-60	.. 1,730,90	55,50	23,24	79,61	123,48	281,83	168,18
7	1960-61	.. 1,863,13	61,73	21,27	97,30	98,76	279,06	185,33
As at the close of last Friday								
8	1950-51	.. 1,247,41	162,04	26,40	59,28	72,31	320,03	33,10
9	1955-56	.. 1,466,64	67,34	62,03	53,24	16,68	199,30	59,46
10	1956-57	.. 1,526,09	64,57	31,95	57,77	74,28	228,56	171,03
11	1957-58	.. 1,579,13	48,33	54,85	67,83	117,52	288,53	177,46
12	1958-59	.. 1,701,53	53,83	26,72	67,57	119,07	267,19	190,67
13	1959-60	.. 1,844,90	63,15	42,97	92,90	100,10	299,12	216,34
14	1960-61	.. 1,984,74	76,46	28,99	70,85	87,96	264,25	221,39
1960-61 (weekly) As at the close of 1960								
15	April	1 .. 1,864,53	73,49	35,34	79,02	104,62	292,47	222,82
16	"	8 .. 1,896,77	62,33	5,57	86,60	98,32	252,81	207,29
17	"	15 .. 1,902,24	75,08	6,01	92,35	98,66	272,10	205,37
18	"	22 .. 1,890,00	51,82	14,61	97,71	99,72	263,86	193,33
19	"	29 .. 1,883,59	50,58	45,28	97,64	98,89	292,39	193,82
20	May	6 .. 1,904,49	60,30	18,90	88,42	98,85	266,47	194,27
21	"	13 .. 1,901,43	51,89	25,92	99,08	98,09	274,97	194,07
22	"	20 .. 1,880,06	57,99	29,47	94,24	97,79	279,50	194,16
23	"	27 .. 1,860,99	52,01	34,49	103,64	97,83	287,98	193,35
24	June	3 .. 1,867,88	66,70	16,79	97,68	98,09	279,26	194,29
25	"	10 .. 1,880,72	71,07	8,75	111,71	86,83	278,36	192,00
26	"	17 .. 1,859,19	92,42	9,23	107,51	87,05	296,20	197,04
27	"	24 .. 1,835,99	62,41	18,36	114,67	90,92	286,37	200,76
28	July	1 .. 1,834,52	54,67	20,79	115,45	133,06	323,97	161,28
29	"	8 .. 1,850,11	69,27	14,96	117,57	130,71	332,50	157,60
30	"	15 .. 1,841,67	74,24	11,81	129,93	130,48	346,47	161,20
31	"	22 .. 1,815,38	52,45	31,08	113,86	129,30	326,69	158,68
32	"	29 .. 1,794,00	67,05	22,62	124,74	138,19	352,59	153,70
33	August	5 .. 1,812,32	57,38	17,85	118,45	139,34	333,02	154,89
34	"	12 .. 1,812,13	55,99	16,18	117,25	140,08	329,49	160,93
35	"	19 .. 1,796,39	65,73	29,51	122,17	101,20	318,62	163,18
36	"	26 .. 1,776,59	62,67	28,46	115,74	100,98	307,86	165,74

[For footnotes please see end of the Statement.]

REPORT ON CURRENCY AND FINANCE, 1960-61

MENT 37

WEEKLY) OF THE RESERVE BANK OF INDIA

Departments Combined)

(Lakhs of Rupees)

ASSETS							
Gold Coin and Bullion (c)	Foreign Assets (d)	Rupee Coin (e)	Investments (f)	Loans and Advances to Governments (g)	Other Loans and Advances	Bills Purchased and Dis-counted	Other Assets
9	10	11	12	13	14	15	16
40,02	832,40	57,33	535,19	2,37	6,77	3,05	5,06
40,02	723,48	107,00	602,42	1,73	36,99	9,78	15,61
40,02	610,75	116,09	807,04	4,89	85,34	5,69	13,60
117,76							
117,76	370,12	130,18	1,188,98	32,90	77,91	4,81	14,32
117,76	207,61	134,06	1,463,91	28,23	65,83	6,18	11,73
117,76	196,59	131,58	1,592,77	25,53	88,92	15,54	12,22
117,76	155,73	126,92	1,712,04	38,19	132,78	28,71	15,38
40,02	884,18	54,51	585,83	1,56	16,75	8,21	9,50
40,02	746,13	103,31	726,01	—	79,94	12,23	17,77
117,76	526,83	122,79	1,006,20	7,65	127,87	2,98	13,61
117,76	267,00	129,42	1,409,55	21,23	78,40	7,68	14,08
117,76	213,06	130,16	1,542,96	24,77	113,44	5,18	12,05
117,76	197,12	124,23	1,694,51	22,34	156,54	33,60	14,26
117,76	136,25	119,71	1,813,15	39,02	185,50	39,17	19,82
117,76	188,51	128,27	1,710,09	27,81	143,52	49,25	14,61
117,76	187,58	126,58	1,710,36	34,24	112,01	53,53	14,81
117,76	183,84	126,58	1,710,14	44,32	114,99	67,24	14,86
117,76	184,32	127,41	1,709,46	50,47	101,59	41,31	14,86
117,76	180,61	127,39	1,738,86	48,22	114,53	27,24	15,20
117,76	178,68	125,70	1,728,81	51,33	117,52	30,10	15,33
117,76	176,78	124,73	1,728,68	53,01	119,32	34,88	15,32
117,76	174,67	125,21	1,728,17	51,31	114,78	26,47	15,34
117,76	172,55	126,00	1,742,02	42,08	108,45	18,11	15,35
117,76	168,52	124,65	1,731,98	44,42	120,23	18,08	15,78
117,76	163,56	123,92	1,722,09	45,71	126,47	35,82	15,75
117,76	161,77	125,51	1,721,63	50,00	121,99	38,01	15,78
117,76	157,48	127,53	1,716,98	43,62	121,56	20,64	17,54
117,76	156,60	127,98	1,733,50	31,92	130,06	3,69	18,25
117,76	169,68	126,83	1,733,01	34,93	133,93	4,99	19,08
117,76	165,36	127,63	1,745,45	37,15	132,83	5,67	17,49
117,76	160,30	129,44	1,710,90	29,55	116,20	22,24	14,36
117,76	153,23	131,17	1,710,42	30,52	112,29	31,70	13,24
117,76	147,86	129,49	1,710,17	37,07	122,05	23,61	12,22
117,76	144,49	129,85	1,712,02	41,76	116,39	28,05	12,23
117,76	144,75	131,02	1,694,27	35,39	118,58	24,90	11,53
117,76	146,53	132,23	1,676,91	36,54	110,99	17,64	11,60

STATE

LIABILITIES AND ASSETS (ANNUAL AND

(Issue and Banking

			LIABILITIES							Total Liabilities or Assets(b)
			Notes in Circulation	Deposits				Other Liabilities (a)		
				Central Government	Other Governments	Banks	Others		Total	
			1	2	3	4	5	6	7	8
1960										
37	September	2 ..	.. 1,795,33	52,90	46,68	110,40	101,73	311,72	162,11	2,269,17
38	"	9 ..	.. 1,808,22	62,63	27,25	115,68	89,85	295,41	161,83	2,265,46
39	"	16 ..	.. 1,792,60	81,72	35,50	99,62	92,27	309,11	162,39	2,264,09
40	"	23 ..	.. 1,783,97	76,63	23,43	110,72	91,72	302,49	162,42	2,248,88
41	"	30 ..	.. 1,790,04	63,32	18,46	104,94	87,62	274,34	166,31	2,245,67
42	October	7 ..	.. 1,810,91	55,34	11,25	105,61	85,96	258,16	161,85	2,230,92
43	"	14 ..	.. 1,808,64	52,68	43,80	110,16	88,25	294,89	168,55	2,272,07
44	"	21 ..	.. 1,812,02	53,22	32,90	103,41	90,46	279,99	173,03	2,265,03
45	"	28 ..	.. 1,794,18	65,36	24,25	100,56	93,06	283,22	178,14	2,255,54
46	November	4 ..	.. 1,808,30	74,52	10,20	103,80	92,31	280,84	172,70	2,261,84
47	"	11 ..	.. 1,827,22	53,61	14,86	105,09	88,98	262,54	186,68	2,276,43
48	"	18 ..	.. 1,820,31	53,69	23,49	95,17	86,79	259,13	184,86	2,264,30
49	"	25 ..	.. 1,810,97	67,35	10,32	98,48	89,75	265,91	183,76	2,260,64
50	December	2 ..	.. 1,828,11	60,71	11,71	89,78	91,16	253,37	186,42	2,267,90
51	"	9 ..	.. 1,862,72	50,83	13,24	93,22	90,07	247,37	184,46	2,294,55
52	"	16 ..	.. 1,861,11	50,87	28,40	85,31	90,43	255,01	190,60	2,312,73
53	"	23 ..	.. 1,858,55	68,83	15,34	92,02	93,05	269,23	192,90	2,320,68
54	"	30 ..	.. 1,868,98	70,03	9,87	115,68	94,17	289,75	191,03	2,349,76
1961										
55	January	6 ..	.. 1,901,25	59,71	7,00	84,67	92,66	244,03	190,28	2,335,56
56	"	13 ..	.. 1,920,72	51,04	18,42	78,61	94,31	242,38	194,95	2,358,05
57	"	20 ..	.. 1,914,87	50,11	31,93	76,71	93,69	252,45	197,93	2,365,25
58	"	27 ..	.. 1,909,49	53,05	21,47	78,27	94,61	247,40	198,30	2,355,19
59	February	3 ..	.. 1,929,25	52,70	22,05	72,13	92,49	239,37	200,58	2,369,20
60	"	10 ..	.. 1,948,81	59,86	21,85	70,44	92,28	244,43	197,73	2,390,97
61	"	17 ..	.. 1,940,66	72,77	21,30	71,39	91,88	257,35	198,83	2,396,83
62	"	24 ..	.. 1,925,33	61,04	18,39	76,98	89,54	245,95	203,59	2,374,87
63	March	3 ..	.. 1,947,16	51,44	14,70	71,86	90,75	228,75	205,69	2,381,59
64	"	10 ..	.. 1,979,96	55,42	6,27	73,87	88,95	224,51	200,40	2,404,86
65	"	17 ..	.. 1,971,97	72,70	18,12	71,76	90,10	252,67	208,19	2,432,82
66	"	24 ..	.. 1,968,70	53,37	33,63	74,47	98,51	259,98	214,86	2,443,55
67	"	31 ..	.. 1,984,74	76,46	28,99	70,85	87,96	264,25	221,39	2,470,39

(a) Including (i) paid-up capital of Rs. 5 crores, (ii) reserve fund of Rs. 5 crores upto June 28, 1957 and of Rs. 80 crores from July 5, 1957, (iii) National Agricultural Credit (Long-term Operations) Fund of Rs. 10 crores from February 3, 1956, Rs. 15 crores from July 6, 1956, Rs. 20 crores from July 5, 1957, Rs. 25 crores from July 4, 1958, Rs. 30 crores from July 3, 1959 and Rs. 40 crores from July 1, 1960 and (iv) National Agricultural Credit (Stabilisation) Fund of Rs. 1 crore from July 6, 1956, Rs. 2 crores from July 5, 1957, Rs. 3 crores from July 4, 1958, Rs. 4 crores from July 3, 1959 and Rs. 5 crores from July 1, 1960. (b) Excluding notes held in the Banking Department,

REPORT ON CURRENCY AND FINANCE, 1960-61

MENT 37—(contd.)

WEEKLY) OF THE RESERVE BANK OF INDIA

Departments Combined)

(Lakhs of Rupees)

ASSETS							
Gold Coin and Bullion (c)	Foreign Assets (d)	Rupee Coin (e)	Investments (f)	Loans and Advances to Governments (g)	Other Loans and Advances	Bills Purchased and Discounted	Other Assets
9	10	11	12	13	14	15	16
117,76	143,35	131,50	1,679,29	28,60	150,97	5,82	11,87
117,76	145,68	130,60	1,654,43	29,18	148,57	27,26	11,99
117,76	146,45	131,83	1,668,09	28,67	137,11	22,16	12,01
117,76	143,94	132,84	1,646,87	30,58	143,14	21,69	12,06
117,76	139,18	132,62	1,654,06	27,36	130,63	16,85	12,22
117,76	140,80	130,69	1,638,68	39,19	127,75	23,78	12,26
117,76	140,85	130,51	1,698,61	26,24	128,58	17,20	12,30
117,76	140,94	129,89	1,700,31	25,89	130,91	6,98	12,35
117,76	142,75	130,68	1,695,45	28,40	115,87	11,96	12,67
117,76	141,28	129,37	1,695,30	34,96	122,75	7,69	12,74
117,76	141,11	128,97	1,695,09	34,81	125,99	19,95	12,74
117,76	139,63	129,92	1,707,04	30,23	118,42	8,48	12,83
117,76	139,97	130,88	1,706,22	31,39	114,50	6,00	13,92
117,76	151,76	129,39	1,686,04	35,58	121,15	10,22	16,01
117,76	152,62	127,15	1,695,91	40,40	124,62	19,97	16,11
117,76	155,11	127,21	1,707,94	34,05	132,37	15,43	16,86
117,76	155,59	127,58	1,707,63	37,61	142,14	15,12	17,24
117,76	151,73	127,47	1,697,46	41,25	159,91	36,88	17,30
117,76	147,62	124,89	1,687,42	43,00	151,46	45,98	17,43
117,76	147,48	123,91	1,692,78	45,08	150,79	62,72	17,54
117,76	147,43	124,25	1,714,49	40,59	138,46	64,64	17,62
117,76	147,67	124,67	1,714,91	36,00	140,28	56,30	17,61
117,76	147,26	122,58	1,723,21	36,14	154,25	50,02	17,97
117,76	152,48	121,02	1,723,12	39,22	157,03	62,28	18,05
117,76	157,56	121,39	1,735,14	37,71	150,70	58,42	18,14
117,76	159,50	122,35	1,735,88	37,77	147,64	35,85	18,13
117,76	157,30	120,54	1,746,39	41,62	155,53	23,35	19,09
117,76	158,85	118,40	1,745,98	48,71	158,24	37,75	19,17
117,76	160,20	118,95	1,757,94	51,00	168,81	38,73	19,45
117,76	153,55	119,89	1,787,56	42,18	173,17	30,04	19,39
117,76	136,25	119,71	1,813,15	39,02	185,50	39,17	19,82

(c) The gold reserves of the Issue Department are valued at the statutory rate of Rs. 21.24 per tola upto October 5, 1956 and at Rs. 62.50 per tola thereafter. (d) Including cash and short-term securities. (e) Including one rupee notes and subsidiary coin. (f) Comprising Government of India Rupee Securities, rupee securities of State Governments and approved securities like shares of State Bank of India and the State Bank of Hyderabad, shares of Industrial Finance Corporation and State Financial Corporations and debentures of Land mortgage banks etc. (g) Including temporary overdrafts to State Governments from August 23, 1957.

STATEMENT 38

LIABILITIES AND ASSETS (ANNUAL AND WEEKLY) OF THE RESERVE BANK OF INDIA

(ISSUE DEPARTMENT)

(Lakhs of Rupees)

	LIABILITIES			ASSETS			
	Notes in Circulation	Notes held in the Banking Department	Total Liabilities (Total Notes issued) or Assets	Gold Coin and Bullion (a)	Foreign Securities	Rupee Coin (b)	Government of India Rupee Securities
	1	2	3	4	5	6	7
Average of Friday figures :							
1950-51	1,163.21	17.19	1,180.40	40.02	624.70	57.21	458.47
1955-56	1,339.39	17.08	1,356.47	40.02	656.52	106.87	553.06
1956-57	1,475.77	18.75	1,494.52	40.02	545.98	115.93	755.22
1957-58	1,529.36	23.18	1,552.53	117.76	329.65	130.06	975.06
1958-59	1,593.88	19.34	1,613.21	117.76	182.04	133.99	1,179.42
1959-60	1,730.90	19.86	1,750.77	117.76	167.62	131.50	1,333.88
1960-61	1,863.13	18.94	1,882.07	117.76	134.99	126.84	1,502.48
As at the close of last Friday							
1950-51	1,247.41	11.72	1,259.13	40.02	678.15	54.34	486.63
1955-56	1,466.64	11.77	1,478.41	40.02	656.42	103.16	678.82
1956-57	1,526.09	11.77	1,537.86	117.76	412.52	122.61	884.97
1957-58	1,579.13	10.21	1,589.35	117.76	171.19	129.29	1,171.10
1958-59	1,701.53	15.60	1,717.12	117.76	178.01	130.09	1,291.26
1959-60	1,844.90	21.94	1,866.84	117.76	163.01	124.14	1,461.93
1960-61	1,984.74	7.84	1,992.59	117.76	123.01	119.62	1,632.20
1960-61 (Weekly)							
As at the close of							
1960							
April	1	6.33	1,870.85	117.76	163.01	128.17	1,461.91
"	8	12.40	1,909.17	117.76	163.01	126.49	1,501.91
"	15	11.78	1,914.02	117.76	163.01	126.50	1,506.75
"	22	24.77	1,914.77	117.76	163.01	127.35	1,506.65
"	29	30.96	1,914.55	117.76	163.01	127.31	1,506.47
May	6	13.34	1,917.84	117.76	163.01	125.63	1,511.43
"	13	15.40	1,916.84	117.76	163.01	124.66	1,511.41
"	20	22.26	1,902.31	117.76	163.01	125.15	1,496.40
"	27	32.11	1,893.10	117.76	163.01	125.93	1,486.40
June	3	23.87	1,891.75	117.76	158.01	124.58	1,491.40
"	10	10.29	1,891.01	117.76	148.01	123.85	1,501.40
"	17	33.43	1,892.62	117.76	148.01	125.45	1,501.40
"	24	38.65	1,874.64	117.76	143.01	127.47	1,486.40

REPORT ON CURRENCY AND FINANCE, 1960-61

July	1	..	..	..	1,834.52	30.54	1,865.06	117.76	143.01	127.90	1,476.40
"	8	..	..	..	1,850.11	13.83	1,863.94	117.76	143.01	126.77	1,476.40
"	15	..	..	..	1,841.73	23.07	1,864.73	117.76	143.01	127.57	1,476.40
"	22	..	..	..	1,815.38	26.34	1,841.72	117.76	143.01	129.38	1,451.57
"	29	..	..	..	1,794.00	34.41	1,828.40	117.76	128.01	131.06	1,451.57
August	5	..	..	..	1,812.32	14.45	1,826.77	117.76	128.01	129.43	1,451.57
"	12	..	..	..	1,812.13	14.99	1,827.12	117.76	123.01	129.78	1,456.57
"	19	..	..	..	1,796.39	21.98	1,818.37	117.76	123.01	130.96	1,446.65
"	26	..	..	..	1,776.59	27.99	1,804.58	117.76	123.01	132.15	1,431.65
September	2	..	..	..	1,795.33	8.51	1,803.85	117.76	123.01	131.42	1,431.66
"	9	..	..	..	1,808.22	14.73	1,822.94	117.76	123.01	130.52	1,451.66
"	16	..	..	..	1,792.60	21.65	1,814.25	117.76	123.01	131.76	1,441.72
"	23	..	..	..	1,783.97	21.29	1,805.25	117.76	123.01	132.76	1,431.72
"	30	..	..	..	1,790.04	14.99	1,805.03	117.76	123.01	132.52	1,431.74
October	7	..	..	..	1,810.91	12.22	1,823.13	117.76	123.01	130.62	1,451.74
"	14	..	..	..	1,808.64	14.39	1,823.03	117.76	123.01	130.43	1,451.84
"	21	..	..	..	1,812.02	10.45	1,822.47	117.76	123.01	129.81	1,451.89
"	28	..	..	..	1,794.18	29.18	1,823.36	117.76	123.01	130.60	1,451.99
November	4	..	..	..	1,808.30	13.78	1,822.08	117.76	123.01	129.28	1,452.03
"	11	..	..	..	1,827.22	14.50	1,841.72	117.76	123.01	128.89	1,472.06
"	18	..	..	..	1,820.31	22.35	1,842.66	117.76	123.01	129.84	1,472.06
"	25	..	..	..	1,810.97	22.65	1,833.62	117.76	123.01	130.79	1,462.06
December	2	..	..	..	1,828.11	24.00	1,852.11	117.76	123.01	129.28	1,482.06
"	9	..	..	..	1,862.72	12.16	1,874.89	117.76	128.01	127.06	1,502.06
"	16	..	..	..	1,861.11	13.82	1,874.94	117.76	128.01	127.11	1,502.06
"	23	..	..	..	1,858.55	16.75	1,875.31	117.76	128.01	127.48	1,502.06
"	30	..	..	..	1,868.98	16.21	1,885.19	117.76	128.01	127.36	1,512.06
1961											
January	6	..	..	..	1,901.25	16.39	1,917.64	117.76	128.01	124.82	1,547.06
"	13	..	..	..	1,920.72	10.93	1,931.65	117.76	128.01	123.83	1,562.04
"	20	..	..	..	1,914.87	17.11	1,931.98	117.76	128.01	124.17	1,562.04
"	27	..	..	..	1,909.49	22.89	1,932.38	117.76	128.01	124.58	1,562.03
February	3	..	..	..	1,929.25	11.29	1,940.54	117.76	128.01	122.49	1,572.28
"	10	..	..	..	1,948.81	10.17	1,958.99	117.76	128.01	120.94	1,592.28
"	17	..	..	..	1,940.66	18.70	1,959.36	117.76	128.01	121.31	1,592.28
"	24	..	..	..	1,925.33	34.97	1,960.30	117.76	128.01	122.26	1,592.28
March	3	..	..	..	1,947.16	11.34	1,958.50	117.76	128.01	120.46	1,592.27
"	10	..	..	..	1,979.96	11.40	1,991.36	117.76	128.01	118.32	1,627.27
"	17	..	..	..	1,971.97	19.89	1,991.88	117.76	128.01	118.87	1,627.22
"	24	..	..	..	1,968.70	24.09	1,992.79	117.76	128.01	119.81	1,627.22
"	31	..	..	..	1,984.74	7.84	1,992.59	117.76	123.01	119.62	1,632.20

(a) The gold reserves of the Issue Department are valued at the statutory rate of Rs. 21.24 per tola upto October 5, 1956 and at Rs. 62.50 per tola thereafter. (b) Including Government of India one rupee notes issued from July 1940.

**LIABILITIES AND ASSETS (ANNUAL AND WEEKLY) OF THE RESERVE BANK OF INDIA
(BANKING DEPARTMENT)**

(Lakhs of Rupees)

Average of Friday figures	LIABILITIES					ASSETS									
	Deposits					Total	Other liabilities (a)	Total Liabilities or Assets	Notes and Coin	Balances held abroad (b)	Loans and advances to Governments (c)	Other loans and advances	Bills purchased and discounted	Investments	Other assets
	Central Government	Other Governments	Banks	Others											
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	
1950-51	148.60	17.71	62.22	62.29	290.82	28.14	318.97	17.31	207.70	2.37	6.77	3.05	76.72	5.06	
1955-56	60.11	19.85	53.77	18.31	152.04	45.59	197.64	17.21	66.96	1.73	36.99	9.78	49.36	15.61	
1956-57	57.52	14.10	52.46	19.73	143.81	101.21	245.02	18.91	64.77	4.89	85.34	5.69	51.82	13.60	
1957-58	54.61	11.28	81.00	111.38	258.27	149.36	407.63	23.30	40.47	32.90	77.91	4.81	213.92	14.32	
1958-59	57.62	20.80	87.53	118.73	284.67	156.77	441.44	19.41	25.57	28.23	65.83	6.18	284.49	11.73	
1959-60	55.50	23.24	79.61	123.48	281.83	168.18	450.01	19.94	28.97	25.53	88.92	15.54	238.90	12.52	
1960-61	61.73	21.27	97.30	98.76	279.06	183.33	464.39	19.02	20.74	38.19	132.78	28.71	209.56	15.38	
As at the close of last Friday															
1950-51	162.04	26.40	59.28	72.31	320.03	33.10	353.13	11.89	206.03	1.56	16.75	8.21	99.20	9.50	
1955-56	67.34	62.03	53.24	16.68	199.30	59.46	258.77	11.92	89.72	7.94	79.94	12.23	47.19	17.77	
1956-57	64.77	31.95	57.77	74.28	228.56	171.03	399.59	11.95	114.31	7.65	127.87	2.98	121.22	13.61	
1957-58	48.33	54.85	67.83	117.52	288.53	177.46	465.99	10.35	95.81	21.23	78.40	7.68	238.44	14.08	
1958-59	53.83	26.72	67.57	119.07	267.19	190.67	457.86	15.67	113.44	25.71	113.44	5.18	251.70	12.05	
1959-60	63.15	42.97	92.90	100.10	299.12	216.34	515.46	22.02	34.11	22.34	156.54	33.60	232.58	14.26	
1960-61	76.46	28.99	70.85	87.96	264.25	221.39	485.64	7.94	13.24	39.02	185.50	39.17	180.95	19.82	
1960-61 (Weekly) As at the close of 1960															
April	73.49	35.34	79.02	104.62	292.47	222.82	515.29	6.43	25.50	27.81	143.52	49.25	248.18	14.61	
"	62.33	5.57	86.60	98.32	252.81	207.29	460.10	12.49	24.57	34.24	112.01	53.53	203.45	14.81	
"	75.08	6.01	92.35	98.66	272.10	205.38	477.48	11.86	20.83	44.32	114.99	67.24	203.39	14.86	
"	51.82	14.61	97.71	99.72	263.86	193.33	457.19	24.84	21.31	50.47	101.59	41.31	202.81	14.86	
"	50.58	45.28	97.64	98.89	292.39	193.82	486.21	31.04	17.60	48.22	114.53	27.24	232.38	15.20	
May	60.30	18.90	88.42	98.85	266.47	194.27	460.74	13.41	15.67	51.33	117.52	30.10	217.38	15.33	
"	51.89	25.92	99.08	98.09	274.97	194.07	469.04	15.47	13.77	53.01	119.32	34.88	217.27	15.32	
"	57.99	29.47	94.24	97.79	279.50	194.16	473.66	22.33	11.66	51.31	114.78	26.47	231.77	15.34	
"	52.01	34.49	103.64	97.83	287.98	193.35	481.33	32.18	9.54	42.08	108.45	18.11	255.62	15.35	
June	66.70	16.79	97.68	98.09	279.26	194.29	473.55	23.93	10.51	44.42	120.23	18.08	240.59	15.78	
"	71.07	8.75	111.71	86.83	278.36	192.00	470.37	10.37	15.55	45.71	126.47	35.82	220.69	15.76	
"	92.42	9.23	107.51	87.03	296.20	197.05	493.25	33.49	13.76	50.00	121.99	38.01	220.23	15.78	
"	62.41	18.36	114.67	90.92	286.57	200.75	487.13	38.71	14.47	43.62	121.56	20.64	230.59	17.54	

REPORT ON CURRENCY AND FINANCE, 1960-61

July	1	54.67	20.79	115.45	133.06	323.97	161.27	485.24	30.63	13.59	31.92	130.06	3.69	257.10	18.25
"	8	69.27	14.96	117.57	130.71	332.50	157.60	490.10	13.89	26.67	34.93	133.93	4.99	256.61	19.08
"	15	74.24	11.81	129.93	130.48	346.47	161.20	507.67	23.13	27.35	37.15	132.83	5.67	269.05	17.49
"	22	52.45	31.08	113.86	129.30	326.69	158.69	485.37	26.40	17.29	29.35	116.20	22.24	239.32	14.36
"	29	67.05	22.62	124.74	138.19	352.89	153.70	506.29	34.47	25.22	30.52	112.29	31.70	258.85	13.24
August	5	57.38	17.85	118.45	139.34	333.02	154.89	487.91	14.51	19.85	37.07	122.05	23.61	258.60	12.22
"	12	55.99	16.18	117.25	140.08	329.49	160.92	490.41	15.07	21.48	41.76	116.39	28.05	255.44	12.23
"	19	63.73	29.51	122.17	101.20	318.62	163.18	481.80	22.05	21.74	35.39	118.58	24.90	247.62	11.53
"	26	62.67	28.46	115.74	100.98	307.86	165.75	473.60	28.06	23.52	36.54	110.99	17.64	245.25	11.60
September	2	52.90	46.68	110.40	101.73	311.72	162.11	473.83	8.59	20.34	28.60	150.97	5.82	247.64	11.87
"	9	62.63	27.25	115.68	89.85	295.41	161.84	457.25	14.81	22.67	29.18	148.57	27.26	202.77	11.99
"	16	81.72	35.50	99.62	92.27	309.11	162.39	471.49	21.73	23.44	28.67	137.11	22.16	226.37	12.01
"	23	76.63	23.43	110.72	91.72	302.49	162.43	464.92	21.36	20.93	30.58	143.14	21.69	215.15	12.06
"	30	63.32	18.46	104.94	87.62	274.34	166.30	440.64	15.09	16.17	27.36	130.63	16.85	222.32	12.22
October	7	55.34	11.25	105.61	85.96	258.16	161.85	420.01	12.29	17.79	39.19	127.75	23.78	186.94	12.26
"	14	52.68	43.80	110.16	88.25	294.89	168.54	463.43	14.48	17.84	26.24	128.58	17.20	246.78	12.30
"	21	53.22	32.90	103.41	90.46	279.98	173.02	453.01	10.53	17.93	23.89	130.91	6.98	248.42	12.35
"	28	65.36	24.25	100.56	93.06	283.22	178.14	461.56	29.26	19.74	28.40	115.87	11.96	243.46	12.67
November	4	74.52	10.20	103.80	92.31	280.84	172.70	453.55	13.87	18.27	34.96	122.75	7.69	243.28	12.74
"	11	53.61	14.86	105.09	88.98	262.54	186.68	449.21	14.58	18.10	34.81	125.99	19.95	223.04	12.74
"	18	53.69	23.49	95.17	86.79	259.13	184.86	443.99	22.43	16.62	30.23	118.42	8.48	234.98	12.83
"	25	67.35	10.32	98.48	89.75	265.91	183.76	449.67	22.74	16.96	31.39	114.50	6.00	244.16	13.92
December	2	60.71	11.71	89.78	91.16	253.37	186.42	439.79	24.10	28.75	35.58	121.15	10.22	203.99	16.01
"	9	50.83	13.24	93.22	90.07	247.37	184.46	431.83	12.26	24.61	40.40	124.62	19.97	193.86	16.11
"	16	50.87	28.40	85.31	90.43	255.01	190.60	445.61	13.92	27.10	34.05	132.37	15.43	205.89	16.86
"	23	68.83	15.34	92.02	93.05	269.23	192.89	462.12	16.85	27.58	37.61	142.14	15.12	205.57	17.24
"	30	70.03	9.87	115.68	94.17	289.75	191.04	480.78	16.31	23.72	41.25	159.91	36.88	185.41	17.30
1961															
January	6	59.71	7.00	84.67	92.66	244.03	190.28	434.31	16.47	19.61	43.00	151.46	45.98	140.36	17.43
"	13	51.04	18.42	78.61	94.31	242.38	194.95	437.33	11.01	19.47	45.08	150.79	62.72	130.74	17.54
"	20	50.11	31.93	76.71	93.69	252.45	197.93	450.38	17.19	19.42	45.08	138.46	64.64	152.45	17.62
"	27	53.05	21.47	78.27	94.61	247.40	198.30	445.71	22.98	19.66	36.00	140.28	56.30	152.89	17.61
February	3	52.70	22.05	72.13	92.49	239.37	200.58	439.95	11.38	19.25	36.14	154.25	50.02	150.93	17.97
"	10	59.86	21.85	70.44	92.28	244.43	197.72	442.15	10.26	24.47	39.22	157.03	62.28	130.84	18.05
"	17	72.77	21.30	71.39	91.88	257.35	198.83	456.17	18.78	29.55	37.71	150.70	58.42	142.86	18.14
"	24	61.04	18.39	76.98	89.54	245.95	203.59	449.54	35.06	31.49	37.77	147.64	35.85	143.60	18.13
March	3	51.44	14.70	71.86	90.75	228.75	205.68	434.43	11.43	29.29	41.62	155.53	23.35	154.12	19.09
"	10	55.42	6.27	73.87	88.95	224.51	200.40	424.90	11.48	30.84	48.71	158.24	37.75	118.71	19.17
"	17	72.70	18.12	71.76	90.10	252.67	208.19	460.86	19.97	32.19	51.00	168.81	38.73	130.72	19.39
"	24	53.37	33.63	74.47	98.51	289.98	214.86	474.84	24.18	25.54	42.18	173.17	30.04	160.34	19.39
"	31	76.46	28.99	70.85	87.96	264.25	221.39	485.64	7.94	13.24	39.02	185.50	39.17	180.95	19.82

(a) Including (i) paid-up capital of Rs. 5 crores, (ii) reserve fund of Rs. 5 crores upto June 28, 1957 and of Rs. 80 crores from July 5, 1957, (iii) National Agricultural Credit (Long-term Operations) Fund of Rs. 10 crores from February 3, 1956, Rs. 15 crores from July 6, 1956, Rs. 20 crores from July 5, 1957, Rs. 25 crores from July 4, 1958, Rs. 30 crores from July 3, 1959 and Rs. 40 crores from July 1, 1960 and (iv) National Agricultural Credit (Stabilisation) Fund of Rs. 1 crore from July 6, 1956, Rs. 2 crores from July 5, 1957, Rs. 3 crores from July 4, 1958, Rs. 4 crores from July 3, 1959 and Rs. 5 crores from July 1, 1960. (b) Including cash and short-term securities. (c) Including temporary overdrafts to State Governments from August 23, 1957.

STATEMENT 40

REMITTANCE STATISTICS

(A) REMITTANCES THROUGH THE RESERVE BANK OF INDIA

Telegraphic Transfers Issued and Paid

Year Half year	(Crores of Rupees)															
	TOTAL				BOMBAY				CALCUTTA				NEW DELHI			
	Issued	Paid	Issued	Paid	Issued	Paid	Issued	Paid	Issued	Paid	Issued	Paid	Issued	Paid	Issued	Paid
1950-51	791.6	1,018.6	229.1	346.4	325.3	368.9	105.4	84.4	53.3	64.5	78.5	154.4	25.1	10.7	10.7	50.6
1955-56	1,079.8	1,075.7	192.0	462.7	585.5	240.4	150.8	149.0	43.6	67.2	82.9	145.8	32.2	12.7	12.7	56.6
1956-57	1,365.6	1,326.2	337.6	548.8	668.6	360.2	236.8	156.3	66.2	64.2	113.5	133.6	31.5	12.5	12.5	51.5
1957-58	1,670.5	1,537.8	227.5	652.4	810.8	478.2	334.6	181.1	66.9	80.5	142.7	141.6	41.7	19.8	19.8	50.4
1958-59	2,072.2	1,886.6	397.0	767.3	917.1	582.4	414.8	203.9	87.1	71.3	164.2	156.7	50.9	26.8	26.8	33.8
1959-60	2,262.1	2,114.3	341.3	688.4	881.7	481.2	413.2	216.8	87.4	85.8	176.4	187.0	56.3	18.2	18.2	66.4
1960-61	2,811.0	2,647.3	445.7	608.6	889.2	1,236.3	383.1	418.4	108.1	75.6	164.5	171.7	52.5	7.3	7.3	326.0
April 1959 to September 1959	1,067.5	1,015.4	154.7	403.1	410.0	335.7	202.0	85.0	54.2	28.5	91.5	84.2	32.3	12.0	12.0	17.0
October 1959 to March 1960	1,194.5	1,099.0	186.6	279.4	407.9	456.0	210.3	131.8	33.2	57.3	84.9	102.9	18.6	14.9	14.9	253.1
April 1960 to September 1960	1,368.2	1,327.4	181.2	386.6	465.0	621.6	204.2	186.0	64.0	31.0	84.7	74.4	30.8	10.9	10.9	338.2
October 1960 to March 1961	1,442.8	1,319.9	264.5	312.0	524.1	614.7	178.8	232.4	44.1	44.6	79.7	97.3	25.5	7.3	7.3	326.0

(a) Opened in July, 1953.

(h) Opened in September 1956.

(B) REMITTANCES (c) BETWEEN THE OFFICES OF THE STATE BANK OF INDIA (d)

Total Remittances	To Bengal Circle from					To Bombay Circle from					To Madras Circle from					To Delhi Circle (e) from							
	Ben- gal Circle		Bom- bay Circle		Mad- ras Circle	Total Ben- gal Circle		Total Bom- bay Circle		Mad- ras Circle	Total Ben- gal Circle		Total Bom- bay Circle		Mad- ras Circle	Total Ben- gal Circle		Total Bom- bay Circle		Mad- ras Circle			
	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21			
1950-51	1,217.4		346.2		94.9	36.5	446.5	122.1	268.4	56.0	293.3	31.2	35.4	226.8									
1955-56	1,675.9		719.1		548.3	133.2	37.7	645.3	217.4	368.6	59.2	311.5	50.6	50.3	210.6								
1956-57	1,962.3		848.6		646.0	161.8	40.8	748.9	243.3	419.7	85.9	364.8	50.2	60.6	254.0								
1957-58	2,312.4		1,018.4		758.2	210.5	49.7	841.9	325.0	416.4	100.5	452.1	60.9	73.7	317.5								
1958-59	2,597.7		729.4		467.4	109.6	55.5	915.2	141.9	487.7	116.1	169.5	503.1	41.4	78.7	368.6	14.4	450.0	127.1	83.6	15.3	224.0	
1959-60	2,941.0		854.8		487.2	157.2	54.2	156.2	842.6	102.7	544.4	93.2	102.3	641.7	46.0	137.6	438.7	19.4	601.8	143.0	184.3	15.0	259.4
1960-61	3,581.8		1,044.9		612.6	199.2	63.7	169.4	1,057.4	124.4	718.9	102.8	111.3	706.4	53.9	157.4	464.4	30.7	773.1	150.4	210.5	31.6	380.6

Note :—Figures relate to the Indian Union. (c) Telegraphic transfers paid, Mail Transfers received, Drafts paid and Demand Drafts purchased. (d) Figures prior to July 1, 1955 relate to the Imperial Bank of India. (e) Opened since January 1, 1958. For earlier years, figures of Delhi Circle are included in Bengal and Bombay Circles.

STATEMENT 41

CONSENTS FOR CAPITAL ISSUES, 1956-60

Classification	Applications (a)		Consents										(Amount in Crores of Rupees)	
	Total		Total		Initial (b)		Others (b)		Debentures		Miscellaneous (Loans etc.) (c)		Bonus	
	Number Amount		Number Amount		Number Amount		Number Amount		Number Amount		Number Amount		Number Amount	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
A. Non-Government Companies														
Industrial	231	141.87	226	140.64	82	48.82	99	41.03	17	19.58	19	30.87	9	0.35
Non-Industrial	59	10.09	51	9.48	3	1.40	27	3.04	1	0.08	10	4.55	10	0.42
Of which :														
(i) Agriculture and Allied Activities	15	1.08	13	0.93	1	0.15	1	0.12	—	—	4	0.35	7	0.31
(ii) Financial	23	1.55	18	1.19	—	—	17	1.09	—	—	—	—	1	0.10
(iii) Trade and Transport	12	5.68	11	5.68	1	1.00	4	0.53	—	—	5	4.14	1	—
(iv) Others	9	1.79	9	1.69	1	0.25	5	1.29	1	0.08	1	0.06	1	0.01
Total for 1960	290	151.96	277	150.13	85	50.22	126	44.06	18	19.66	29	35.42	19	0.77
Total for 1959	264	152.60	242	149.58	47	49.09	103	53.27	13	9.90	50	34.44	29	2.88
Total for 1958	281	96.93	259	89.45	33	18.50	120	31.46	21	16.30	38	13.32	47	9.88
Total for 1957	484(d)	182.73(d)	333	135.37	50	36.32	123	31.99	22	9.09	35	42.57	103	15.40
Total for 1956	362(d)	254.49(d)	281	170.75	61	27.84	107	70.87	10	10.25	31	53.28	72	8.50
B. Government Companies														
Industrial	26	123.40	26	122.40	10	48.54	12	69.61	—	—	4	3.62	(e)	0.63
Non-Industrial	11	17.10	11	17.10	2	1.20	2	4.80	—	—	7	11.10	—	—
Of which :														
(i) Agriculture and Allied Activities	1	0.05	1	0.05	—	—	—	—	—	—	1	0.05	—	—
(ii) Financial	1	1.00	1	1.00	1	1.00	—	—	—	—	—	—	—	—
(iii) Trade and Transport	9	16.05	9	16.05	1	0.20	2	4.80	—	—	6	11.05	—	—
(iv) Others	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total for 1960	37	140.50	37	139.50	12	49.74	14	74.41	—	—	11	14.72	(e)	0.63
Total for 1959	22	53.88	22	53.88	4	28.20	14	23.75	—	—	4	1.93	—	—
Total for 1958	23	333.52	23	333.52	5	2.30	12	321.14	2	2.17	4	7.91	—	—
Total for 1957	..	..	12	17.95	4	7.00	5	6.35	—	—	3	4.60	—	—
Total for 1956	..	..	16	59.40	8	52.45	6	5.80	2	1.15	—	—	—	—

Note:— Figures are taken from the Quarterly Statistics on the Working of Capital Issues Control and do not take into account supersessions and amendments made subsequently.

(a) Figures relate only to applications disposed of and not to applications received. (b) Include ordinary and preference shares. (c) Loans raised by companies by creating a charge or lien on the assets of their property. (d) Includes figures in respect of Government Companies. (e) Formed part of a 'further' issue of shares and loans.

Source : Office of the Controller of Capital Issues.

STATE

CAPITAL RAISED BY NON-GOVERNMENT

Type of Issue	1958 (Further Revised)				
	Capital Paid-up during the year against consents		Capital Raised under Exemption Order		Total Capital Raised (i.e. Paid-up)
	Public	Private	Public	Private	
	1	2	3	4	5
A. Non-Government					
Initial (a)					
Ordinary	5.57	5 44	0 20	1.85	13.06
Preference	0.80	0 05	—	0.03	0.88
Further (b)					
Ordinary	13.78	3 87	1.42	4.59	23.67
Preference	4.59	0 49	0.17	0.14	5.39
Debentures	12 39	0 11	—	—	12.50
	37.13	9 96	1.79	6.61	55.50
Bonus	11.16	0 30	—	—	11.47
Miscellaneous (loans etc.)	36.55	0.22	..	..	36.77
Total	84.85	10.49	1.79	6.61	103.74
B. Government					
Initial (a)					
Ordinary	—	16 98	0.01	0 09	17.08
Preference	—	—	—	—	—
Further (b)					
Ordinary	1.34	201.69	0.01	—	203.09
Preference	—	—	—	—	—
Debentures	—	—	—	—	—
	1.34	218.67	0.08	0.09	220.17
Bonus	—	—	—	—	—
Miscellaneous (loans etc.)	0.10	—	—	—	0.10
Total	1.44	218 67	0.08	0.09	220.28

Note:—The data in columns 1 & 2, 6 & 7, and 11 & 12 relate to the capital raised in 1958, 1959 and 1960, respectively, against consents granted during that year as well as earlier years. Data are consolidated by the Controller of Capital Issues based on the reports received from the companies/Registrars of companies upto April 15, 1961. These do not take into account the capital raised by companies for which no reports were received. Figures given in columns 3 & 4, 8 & 9, and 13 & 14 are based on the returns received from the Registrars of companies.

REPORT ON CURRENCY AND FINANCE, 1960-61

MENT 42

AND GOVERNMENT COMPANIES

(Crores of Rupees)

1959 (Revised)					1960 (Preliminary)				
Capital Paid-up during the year against consents		Capital Raised under Exemption Order		Total Capital Raised (i.e. Paid-up)	Capital Paid-up during the year against consents		Capital Raised under Exemption Order		Total Capital Raised (i.e. Paid-up)
Public	Private	Public	Private		Public	Private	Public	Private	
6	7	8	9	10	11	12	13	14	15
Companies									
9.58	14.78	0.18	2.18	26.72	11.53	9.23	0.61	3.54	24.91
0.68	0.10	—	0.03	0.82	0.26	—	—	0.03	0.29
19.18	2.61	1.77	6.38	29.95	22.03	1.88	2.54	7.58	34.02
3.65	0.04	0.15	0.09	3.93	6.01	—	0.17	0.15	6.34
9.39	0.35	—	—	9.74	6.02	—	0.07	—	6.09
42.48	17.89	2.11	8.69	71.16	45.85	11.10	3.39	11.30	71.64
4.17	0.15	—	—	4.32	0.49	0.01	—	—	0.50
12.17	1.04	—	—	13.21	8.37	3.71	—	—	12.08
58.82	19.08	2.11	8.69	88.69	54.71	14.82	3.39	11.30	84.22
Companies									
—	15.38	—	0.05	15.43	—	14.24	—	—	14.24
—	0.02	—	—	0.02	—	—	—	—	—
5.84	70.10	—	0.05	75.99	1.85	45.45	—	—	47.30
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
5.84	85.50	—	0.10	91.44	1.85	59.69	—	—	61.54
—	—	—	—	—	0.63	—	—	—	0.63
2.34	0.50	—	—	2.84	0.30	—	—	—	0.30
8.18	86.00	—	0.10	94.28	2.79	59.69	—	—	62.47

(a) Issues of new companies. (b) Issues of existing companies.

Source: Office of the Controller of Capital Issues.

STATEMENT 43

LIABILITIES AND ASSETS OF THE INDUSTRIAL FINANCE CORPORATION OF INDIA

(Lakhs of Rupees)

Assets														
As on last Friday of														
1950-511955-561956-571957-581958-591959-601960-61														
1. Cash in hand and with Bankers ..	47	2	9	5,99	72	4	3,00							
2. Investments in Government Securities ..	4,58	—	—	—	—	—	—							
3. Loans and Advances ..	5,21	14,01	20,70	26,20	32,10	36,73	40,74							
4. Debentures ..	—	—	—	—	66	—	—							
5. Other Assets ..	41	67	96	1,80	1,57	4,30(d)	7,34(d)							
Total	10,68	14,70	21,75	33,99	35,04	41,07	51,09							

Liabilities								
As on last Friday of								
1950-511955-561956-571957-581958-591959-601960-61								
1. Capital Issued and Paid-up ..	5,00	5,00	5,00	5,00	5,00	5,00	5,00	
2. Reserve Fund:								
(i) Special Reserve Fund under Sec. 32A(1) of the I.F.C. Act ..	—	14	18	23	27	32	36	
(ii) Other Reserves ..	1	6	6	7(a)	18	32	70	
3. Reserve for Doubtful Debts	—	20	43	15	15	15	15	
4. Provision for Taxation ..	—	10	20	16	24	38	50	
5. Bonds and Debentures ..	5,30	7,81	7,81	12,37	16,75	22,24	22,24	
6. Borrowings from the Reserve Bank of India(b) ..	—	61	1,07	—	94	88	51	
7. Borrowings from Government(c) ..	—	—	6,00	15,00	10,00	8,25	15,25	
8. Other Liabilities	37	80	1,02	1,02	1,51	3,53(d)	6,37(d)	
Total	10,68	14,70	21,75	33,99	35,04	41,07	51,09	

Note.—The accounting year of the Corporation is from July 1 to June 30, however, the figures given here are as on the last Friday of March.

(a) Includes Rs. 1 lakh in respect of Reserve for Contingencies (b) Under Section 21 (3) (b) of the Industrial Finance Corporation Act, 1948 (as amended). (c) Under Section 21 (4) of the Industrial Finance Corporation Act, 1948 (as amended) (d) Includes Rs. 199 lakhs as on March 25, 1960 and Rs. 477 lakhs as on March 31, 1961 in respect of Guarantees and Underwriting Agreements per Contra.

Source: Industrial Finance Corporation of India

STATEMENT 44

OPERATIONS OF STATE FINANCIAL CORPORATIONS

Corporation	Capital Out- as at stand- ings end of March 1961	Loans sanctioned(a) during										Loans disbursed during										Loans outstanding as at the end of March										Assets at the end of March 1961		Other Total than loans
		1953-54 to 1955-56					1958-59 to 1960-61					1953-54 to 1955-56					1958-59 to 1960-61					1956-57 to 1958-59					1959-60 to 1960-61							
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22											
1. Madras ..	1,32	1,36	1,37	49	69	1,18	66	1,12	74	77	67	81	90	71	1,27	1,96	2,34	2,96	3,65	3,89	3,61	7,50												
2. Punjab ..	1,00	1,02	90	26	31	73	67	1,28	43	22	27	26	52	57	39	57	75	90	1,31	1,71	76	2,47												
3. Bombay ..	2,00	1,14	1,48	72	53	62	90	1,76	63	73	38	22	21	83	60	1,47	1,71	1,50	1,40	1,96	1,58	3,54												
4. Gujarat ..	50	—	43(b)	—	—	—	—	38	24(b)	—	—	—	—	—	19	24(b)	—	—	—	—	—	—												
5. Kerala ..	1,00	55	80	34	8	45	21	42	62	25	11	35	17	23	62	84	89	119	1,27	1,38	40	1,79												
6. West Bengal ..	1,00	1,00	43	72	58	36	53	30	23	20	42	41	50	21	23	35	75	1,12	1,44	1,57	63	2,20												
7. Assam ..	1,00	55	57	15	36	46	52	68	26	16	25	29	40	56	26	39	54	74	1,08	1,54	62	2,16												
8. Uttar Pradesh ..	1,00	55	21	46	46	2+	57	78	4	15	37	21	22	35	4	18	54	68	80	1,03	66	1,69												
9. Bihar ..	1,00	1,00	11	48	50	31	50	51	4	20	42	29	50	36	4	24	65	89	1,32	1,49	65	2,14												
10. Rajasthan ..	1,00	—	7	23	31	15	21	27	2	7	26	11	12	10	2	9	35	43	49	54	64	1,18												
11. Madhya Pradesh ..	1,00	—	5	13	53	19	32	37	—	5	35	7	12	7	—	5	41	43	49	44	68	1,12												
12. Andhra Pradesh(c) ..	1,50	—	47	45	36	16	41	56	26	7	18	26	13	27	31	30	47	62	68	82	94	1,76												
13. Orissa ..	50	—	—	—	6	14	13	25	—	—	1	5	7	7	—	—	1	6	13	18	36	54												
14. Mysore ..	1,00	—	—	—	—	—	28	44	—	—	—	—	13	21	—	—	—	—	13	34	72	1,06												
15. Jammu & Kashmir ..	41	—	—	—	—	—	—	4	—	—	—	—	—	—	—	—	—	—	—	—	—	—												
Total ...	15,23	7,17	6,90	4,43	4,78	4,99	5,91	9,16	3,53	2,87	3,69	3,33	3,99	4,75	4,03	6,45	9,40	11,52	14,19	17,10	12,97	30,07												

(a) Includes in respect of some corporations, loans subsequently declined by industrial concerns or cancelled or reduced by the corporation.

(b) Figures relate to the Saurashtra State Financial Corporation.

(c) Figures upto 1955-56 relate to the Hyderabad State Financial Corporation.

Source : State Financial Corporations.

REPORT ON CURRENCY AND FINANCE, 1960-61

STATEMENT 45

PRICES (IN BOMBAY) OF GOVERNMENT OF INDIA SECURITIES, 1960-61

(In Rupees)

LOANS	As on		Average (a) for					1960-61		Difference of March 1961 over March 1960
	Nov. 14, 1951	May 15, 1957	March 1960	June 1960	Sept. 1960	Dec. 1960	March 1961	Highest	Lowest	
Terminable:-										
Under 5 years										
2½% 1960 (b) ..	95.69	96.50	99.75	99.83				99.85	99.75	
4 % 1960-70(c) ..	106.62	100.75	100.62	100.33				100.50	100.00	
2½% 1961 ..	93.69	93.50	98.50	98.50	98.60	99.03	99.36	99.40	98.50	+0.86
3½% 1961 ..		99.50	100.05	100.05	100.05	100.00	100.00	100.05	100.00	-0.05
2½% 1962 ..	94.44	93.90	98.05	98.05	98.05	97.85	98.21	98.35	97.80	+0.16
3½% 1962 ..		97.80	99.65	99.65	99.73	99.65	99.81	99.85	99.65	+0.16
3½% 1963 ..			99.95	99.95	99.99	99.85	99.93	100.00	99.85	-0.02
3 % 1963-65 ..	95.69	94.10	97.93	97.96	98.05	97.57	98.09	98.30	97.50	+0.16
3 % 1964 ..	95.75	94.45	97.95	98.00	98.05	97.64	98.16	98.50	97.55	+0.21
3½% 1964 ..		98.25	99.91	99.90	99.90	99.37	99.67	100.05	99.30	-0.24
3½% 1965 ..		98.20	99.77	99.80	99.78	99.31	99.50	99.85	99.25	-0.27
Between 5 and 10 years										
3½% 1966(d) ..					99.75	99.30	99.32	99.75	99.30	
3 % 1966-68 ..	93.94	92.05	95.84	95.84	95.84	95.31	95.77	96.05	95.15	-0.07
3½% 1967 ..		98.50	99.56	99.55	99.48	98.86	98.85	99.55	98.85	-0.71
3½% 1967 ..			100.85	100.85	100.85	100.75	100.50	100.85	100.50	-0.35
3½% 1968 ..			99.51	99.50	99.47	99.00	98.80	99.50	98.75	-0.71
3½% 1968 ..			100.65	100.65	100.65	100.60	100.50	100.65	100.50	-0.15
3½% 1969 ..			99.20	99.20	99.06	98.81	98.75	99.20	98.70	-0.45
3 % 1970-75 ..	92.81	87.20	92.03	90.93	90.75	89.80	90.88	92.20	88.85	-1.15
Between 10 and 15 years										
4 % 1972 ..			101.41	101.23	101.23	100.47	100.41	101.30	100.40	-1.00
4 % 1973 ..			101.34	101.15	101.13	100.40	100.41	101.20	100.40	-0.93
3½% 1974 ..		98.50	99.66	99.70	99.68	99.10	99.70	99.70	99.00	+0.04
Over 15 years										
2½% 1976 ..	89.00	83.15	83.36	83.40	83.45	83.50	83.50	83.50	83.20	+0.14
4 % 1979 ..			100.19	100.23	100.15	99.94	100.00	100.30	99.85	-0.19
4 % 1980(d) ..					99.90	99.90	99.90	99.95	99.80	
Non-Terminable :										
3% Conversion Loan 1986 or later ..	92.50	74.15	73.61	73.20	73.96	74.17	73.98	74.50	72.95	+0.37
3% Rupee Paper ..	92.50	73.00	73.51	72.92	73.05	72.81	71.98	73.40	71.90	-1.53

Note:— The maturity classification is as of March 31, 1961 and on the assumption of the earlier date of redemption.
(a) Average of closing quotations for working days. (b) Redeemed on July 15, 1960. (c) Redeemed on September 15, 1960. (d) Issued on July 18, 1960.

STATEMENT 46

AVERAGE YIELDS ON GOVERNMENT OF INDIA SECURITIES (ANNUAL AND MONTHLY)

LOANS	(Per cent per annum)									
	As on					Average for			Annual Average	
	Nov. 14, 1951	May 15, 1957	March 1960	June 1960	Sept. 1960	Dec. 1960	March 1961	1960-61	1959-60	Difference of March 1961 over March 1960
Terminable :										
Under 5 years										
2½ % 1960(a)	..	3.33	3.94	4.90	..	..	..	4.32	3.38	..
4 % 1960-70(b)	..	3.14	3.76	2.65	..	..	..	1.67	3.26	..
2½ % 1961	..	3.26	4.20	3.85	..	..	..	4.03	3.59	+0.62
2½ % 1961	3.64	3.46	4.14	4.08	4.24	3.74	3.50	+0.04
2½ % 1962	3.36	3.46	3.43	3.50	3.87	3.45	3.40	+0.35
2½ % 1962	3.60	3.70	3.48	3.39	3.44	3.56	-0.02
2½ % 1963	3.73	3.41	3.56	3.53	3.53	3.47	+0.01
3½ % 1963	3.52	3.74	3.92	3.85	3.70	+0.23
3 % 1963-65	3.69	(3.59)	(3.49)	(3.50)	(3.47)	(+0.05)
3 % 1964	(3.44)	3.73	3.60	3.61	3.54	(+0.08)
3½ % 1964	3.91	3.70	3.62	3.59	3.49	+0.09
3½ % 1965	3.79	3.67	3.63	3.59	3.51	+0.08
..	3.76	3.54	3.55	..	..	..	..	..
Between 5 and 10 years										
3½ % 1966(c)	3.55	3.64	3.64	3.60	3.78	+0.12
3 % 1966-68	3.78	3.91	3.85	3.81	(3.62)	(+0.08)
..	..	3.52	4.02	3.75	(3.60)	(3.70)	(3.65)	3.62	3.56	+0.14
..	..	(3.48)	(3.87)	3.57	3.59	3.70	3.71	3.63	3.63	+0.04
3½ % 1967	3.61	3.62	3.66	3.61	3.58	+0.11
3½ % 1967	3.58	3.65	3.65	3.65	3.66	-0.01
3½ % 1968	3.66	3.66	3.67	3.64	3.59	+0.07
3½ % 1968	3.60	3.66	3.67	4.16	3.87	+0.23
3½ % 1969	3.93	4.28	(3.83)	4.17	(3.64)	(+0.15)
3 % 1970-75	(3.68)	(3.91)	..	..	..	..
..	..	3.52	4.26	3.87	..	..	..	..	..	..
..	..	(3.44)	(3.99)	3.78	..	..	..	..	..	..
Between 10 and 15 years										
4 % 1972	3.86	3.95	3.96	3.91	3.84	+0.10
4 % 1973	3.87	3.96	3.96	3.92	3.85	+0.09
3½ % 1974	3.78	3.84	3.78	3.79	3.80	..
..	3.87	..	..	..	..	..	..	..
Over 15 years										
2½ % 1976	4.18	4.19	4.21	4.18	4.13	+0.06
4 % 1979	3.99	4.00	4.00	3.99	3.99	+0.01
4 % 1980(c)	4.01	4.01	4.01	4.01	..	..
Non-Terminable :										
3 % Conversion Loan 1986 or later
3 % (F)
3 % Rupee Paper (F)
..	..	3.37	4.04	4.10	4.05	4.04	4.05	4.06	4.05	-0.02
..	..	3.25	4.11	4.11	4.11	4.12	4.17	4.12	4.08	+0.09

Note :—The maturity classification is as of March 31, 1961 and on the assumption of the earlier date of redemption. Yields are gross, i.e., not allowing for income tax and are based on prices quoted at Bombay. In the case of two dated loans, the yields to the later date of redemption are shown in brackets. (a) Redeemed on July 15, 1960. (b) Redeemed on September 15, 1960. (c) Issued on July 18, 1960. (F)—Flat yield.

ALL-INDIA AND REGIONAL INDICES (ANNUAL)

(Compiled by the Department of Statistics)

			Government and Semi-Government Securities				Debentures			
			All-India	Bombay	Calcutta	Madras	All-India	Bombay	Calcutta	Madras
			1	2	3	4	5	6	7	8
Last week of										
(Base : 1949-50 = 100)										
1	1955-56	..	90.9	90.3	90.8	91.2	101.1	100.0	102.1	100.1
2	1956-57	..	90.0	89.3	89.9	90.2	98.9	99.0	98.6	99.5
3	1957-58	..	89.4	88.8	89.2	89.6	97.2	96.5	97.3	97.4
(Base : 1952-53 = 100)										
4	1957-58	..	98.6	98.6	98.5	98.5	98.9	98.4	100.0	98.5
5	1958-59	..	100.7	100.7	100.6	100.7	101.5	102.2	102.3	99.0
6	1959-60	..	101.3	101.3	101.2	101.2	101.4	102.1	102.0	99.6
7	1960-61	..	101.0	101.1	101.0	100.8	100.7	100.9	101.6	99.2
Week ended										
8	April	2, 1960	101.3	101.3	101.2	101.1	101.4	102.1	102.0	99.6
9	"	9, "	101.3	101.4	101.3	101.1	101.4	102.0	102.0	99.6
10	"	16, "	101.4	101.4	101.3	101.2	101.3	101.9	102.0	99.6
11	"	23, "	101.4	101.4	101.3	101.3	101.3	101.8	102.0	99.3
12	"	30, "	101.3	101.3	101.2	101.3	101.3	101.8	102.1	99.3
13	May	7, "	101.3	101.3	101.2	101.2	101.3	101.8	102.1	99.4
14	"	14, "	101.2	101.2	101.0	101.2	101.3	101.7	102.1	99.4
15	"	21, "	101.1	101.2	101.0	101.1	100.9	100.8	102.1	99.4
16	"	28, "	101.1	101.1	101.0	101.1	100.9	100.8	102.2	99.3
17	June	4, "	101.1	101.1	101.0	101.0	101.0	101.0	102.2	99.3
18	"	11, "	101.1	101.1	101.0	101.0	101.0	101.0	102.2	99.3
19	"	18, "	101.1	101.1	101.0	101.0	101.0	101.0	102.2	99.3
20	"	25, "	101.1	101.1	101.1	101.0	101.1	101.1	102.2	99.3
21	July	2, "	101.2	101.2	101.1	101.0	101.0	101.0	102.1	99.3
22	"	9, "	101.2	101.2	101.1	101.1	101.0	101.1	102.1	99.3
23	"	16, "	101.2	101.2	101.1	101.1	101.0	101.1	102.1	99.3
24	"	23, "	101.2	101.2	101.1	101.2	101.0	101.1	102.1	99.3
25	"	30, "	101.2	101.2	101.1	101.1	101.0	101.1	102.1	99.3
26	August	6, "	101.2	101.2	101.1	101.1	101.0	101.0	102.1	99.3
27	"	13, "	101.2	101.2	101.1	101.1	100.9	100.8	102.1	99.3
28	"	20, "	101.2	101.2	101.1	101.1	100.9	100.8	102.1	99.3
29	"	27, "	101.2	101.2	101.1	101.1	100.8	100.8	102.0	99.3
30	September	3, "	101.2	101.3	101.1	101.1	100.8	100.9	101.9	99.4
31	"	10, "	101.2	101.2	101.1	101.1	100.8	101.0	101.7	99.4
32	"	17, "	101.1	101.2	101.1	101.1	100.7	101.0	101.5	99.4
33	"	24, "	101.1	101.1	101.0	101.1	100.7	101.0	101.5	99.4
34	October	1, "	101.1	101.1	(a)	101.1	100.7	101.0	(a)	99.2
35	"	8, "	101.1	101.0	101.0	101.0	100.7	100.9	101.6	99.2
36	"	15, "	101.0	101.0	100.9	100.9	100.7	100.9	101.7	99.3
37	"	22, "	100.9	100.9	100.8	100.8	100.7	100.9	101.7	99.3
38	"	29, "	100.8	100.7	100.6	100.8	100.7	100.8	101.6	99.3
39	November	5, "	100.6	100.7	100.5	100.5	100.7	100.8	101.6	99.3
40	"	12, "	100.6	100.7	100.5	100.5	100.7	101.0	101.6	99.3
41	"	19, "	100.6	100.6	100.6	100.4	100.7	101.0	101.6	99.3
42	"	26, "	100.6	100.6	100.6	100.5	100.7	101.0	101.6	99.3
43	December	3, "	100.6	100.7	100.7	100.5	100.7	100.9	101.6	99.3
44	"	10, "	100.6	100.7	100.7	100.5	100.6	100.8	101.6	99.3
45	"	17, "	100.7	100.7	100.6	100.6	100.6	100.9	101.6	99.3
46	"	24, "	100.7	100.7	100.6	100.6	100.7	100.9	101.5	99.3
47	"	31, "	100.7	(a)	100.7	(a)	100.6	(a)	101.5	(a)
48	January	7, 1961	100.7	100.7	100.6	100.6	100.6	100.9	101.5	99.3
49	"	14, "	100.7	100.8	100.7	100.6	100.7	100.9	101.6	99.3
50	"	21, "	100.7	100.8	100.8	100.7	100.7	100.9	101.6	99.3
51	"	28, "	100.7	100.8	100.8	100.6	100.7	100.9	101.6	99.3
52	February	4, "	100.7	100.7	100.7	100.6	100.7	100.9	101.6	99.2
53	"	11, "	100.7	100.8	100.8	100.7	100.7	100.9	101.6	99.2
54	"	18, "	100.8	100.9	100.8	100.7	100.7	100.9	101.6	99.2
55	"	25, "	100.9	101.0	100.8	100.7	100.6	100.7	101.6	99.2
56	March	4, "	100.9	101.0	100.9	100.7	100.6	100.7	101.6	99.2
57	"	11, "	100.9	101.0	100.9	100.8	100.5	100.7	101.5	99.2
58	"	18, "	101.0	101.1	101.0	100.8	100.6	100.8	101.5	99.2
59	"	25, "	101.0	101.1	101.0	100.8	100.7	100.9	101.6	99.2

(a) Market closed.

MENT 47

AND WEEKLY) OF SECURITY PRICES

of the Reserve Bank of India)

Preference Shares				Variable Dividend Industrial Securities				
All-India 9	Bombay 10	Calcutta 11	Madras 12	All-India 13	Bombay 14	Calcutta 15	Madras 16	
85.7	90.2	80.3	97.0	124.6	131.5	112.7	126.8	1
79.3	83.4	73.4	93.8	109.2	119.1	95.8	122.5	2
70.4	79.6	61.9	83.7	97.9	114.4	83.4	110.2	3
85.4	86.1	84.2	91.3	126.6	128.5	121.3	147.2	4
89.7	89.3	88.3	97.3	146.8	147.8	145.3	159.7	5
90.7	88.8	89.6	102.2	161.7	161.7	153.6	182.2	6
85.7	85.6	84.6	92.2	182.6	189.4	168.3	197.6	7
90.9	89.2	89.7	102.1	163.8	164.7	155.0	182.5	8
91.0	89.7	89.7	102.1	165.6	167.3	155.8	183.5	9
91.0	89.9	89.6	101.7	166.0	167.8	156.0	183.4	10
90.8	89.8	89.5	100.9	168.4	171.4	157.2	185.5	11
90.5	89.3	89.5	100.1	168.7	171.6	156.8	187.1	12
90.2	89.3	89.2	99.3	170.4	173.7	158.0	187.9	13
90.3	89.4	89.2	99.4	173.4	176.8	161.5	190.1	14
90.1	89.2	89.0	99.4	175.2	179.0	162.3	192.8	15
89.9	88.8	88.9	98.9	174.8	177.9	162.3	191.9	16
89.8	89.0	89.0	97.8	175.9	180.8	161.9	190.9	17
89.5	89.2	88.2	97.8	174.8	179.3	161.2	189.6	18
89.4	88.5	88.4	97.7	174.9	180.3	160.6	189.5	19
88.7	86.9	88.3	97.7	175.4	180.7	160.8	190.6	20
88.3	86.4	87.9	97.6	175.8	182.0	160.3	190.7	21
87.4	85.2	86.8	97.4	174.9	180.6	159.5	191.1	22
87.1	85.3	86.2	97.3	176.4	184.1	159.3	191.0	23
86.9	85.0	86.0	97.4	182.0	189.1	165.6	194.7	24
86.8	84.9	85.9	97.6	181.6	187.6	165.9	196.6	25
86.9	85.1	86.1	97.3	180.5	186.2	164.8	196.6	26
86.9	85.3	86.0	97.1	180.3	185.8	165.2	196.0	27
87.0	85.6	86.0	97.2	179.3	184.6	164.3	196.6	28
86.9	85.3	85.0	97.3	179.1	185.3	163.6	196.4	29
86.9	85.4	85.9	97.4	178.8	186.1	162.6	196.0	30
87.0	85.8	85.8	97.3	174.3	180.0	159.1	193.9	31
87.0	85.8	85.9	97.2	171.4	177.9	155.6	192.0	32
86.8	85.7	85.6	97.0	169.7	176.7	153.6	190.5	33
87.0	86.1	(a)	97.1	167.4	171.7	(a)	189.9	34
86.8	86.0	85.5	96.1	165.6	170.1	152.3	186.2	35
86.3	85.0	85.2	96.2	165.1	170.3	151.3	184.4	36
86.1	85.1	84.6	96.2	166.5	171.9	152.7	185.4	37
86.2	85.3	84.6	96.4	166.1	170.1	153.7	185.4	38
86.2	85.7	84.5	96.0	169.3	174.9	155.4	186.6	39
86.3	85.8	84.7	95.8	169.4	174.7	155.7	187.9	40
86.2	85.7	84.6	95.6	169.9	175.8	155.7	188.8	41
86.0	85.5	84.2	95.5	170.0	175.5	156.2	188.7	42
85.8	85.6	83.9	95.4	169.0	173.6	156.4	187.7	43
85.6	85.2	83.9	95.2	168.1	172.6	155.5	187.1	44
85.7	85.2	84.1	95.0	166.6	169.5	155.3	186.8	45
85.5	85.2	84.0	93.9	165.7	168.7	154.7	185.1	46
85.5	(a)	83.9	(a)	165.4	(a)	154.1	(a)	47
85.2	85.1	83.5	93.6	163.9	166.8	153.1	184.0	48
85.1	84.9	83.7	93.1	163.3	166.0	152.7	183.0	49
85.2	84.9	83.8	92.9	165.4	169.7	153.6	183.2	50
85.2	85.0	83.8	92.9	166.9	172.0	154.6	184.6	51
85.4	85.4	84.0	92.4	167.6	173.3	154.5	185.8	52
85.3	85.3	83.9	92.3	168.5	174.0	155.1	186.9	53
85.3	85.2	84.0	92.6	169.5	174.4	156.9	187.2	54
85.6	85.3	84.5	92.7	172.0	177.5	158.7	189.4	55
85.6	85.5	84.5	91.9	175.4	181.4	161.6	191.6	56
85.7	85.7	84.6	92.1	179.1	185.6	165.1	193.5	57
85.8	85.6	84.8	92.3	180.6	187.0	167.0	195.4	58
85.7	85.6	84.6	92.2	182.6	189.4	168.3	197.6	59

INDEX NUMBERS OF SECURITY PRICES—

(Compiled by the Department of Statistics)

		GROUP INDICES				SUB-GROUP INDICES OF GOVERNMENT AND SEMI-GOVERNMENT SECURITIES			SUB-GROUP INDICES			
Average of weeks		Government and semi-Government securities	Debentures	Preference shares (Fixed Dividend)	Variable Dividend	Government of India	State Governments	Municipal, Port Trust and Improvement Trust	Plantations	Coal	Sugar	Cotton Textiles
		1	2	3	4	5	6	7	8	9	10	11
(Base : 1949-50=100)												
1	1955-56	90.9	100.8	87.3	121.6	90.8	96.4	89.4	99	91	99	
2	1956-57	90.5	100.1	82.9	121.2	90.2	96.7	90.6	99	91	99	
3	1957-58	89.3	98.1	74.5	100.3	89.0	96.4	90.2	98	87	98	
(Base : 1952-53=100)												
4	1957-58(a)	98.3	99.6	88.0	125.4	98.1	100.1	99.1	100	100	98	99
5	1958-59	99.9	100.1	87.2	137.3	99.8	101.3	99.0	100	100	99	98
6	1959-60	101.2	101.8	92.2	155.3	101.1	102.6	99.9	100	99	99	99
7	1960-61	101.0	100.8	87.2	171.7	100.9	102.2	99.9	100	96	98	99
8	April 1959	100.7	101.7	91.0	149.0	100.5	102.4	99.8	100	100	99	99
9	May "	100.7	101.8	92.2	150.8	100.5	102.4	99.8	100	100	99	99
10	June "	100.8	101.8	92.1	149.8	100.6	102.3	99.8	100	100	99	99
11	July "	101.0	101.8	92.1	154.1	100.9	102.4	99.8	100	100	99	99
12	August "	101.2	102.1	93.2	153.9	101.0	102.5	99.9	100	100	99	99
13	September "	101.4	102.1	93.6	153.1	101.3	102.6	99.9	100	100	99	99
14	October "	101.7	102.1	93.4	156.1	101.6	102.7	99.9	100	100	99	100
15	November "	101.6	101.9	92.6	157.2	101.5	102.8	99.9	100	100	99	100
16	December "	101.5	101.7	91.7	157.6	101.4	102.8	100.0	100	100	99	99
17	January 1960	101.5	101.7	91.3	158.7	101.4	102.8	100.0	100	98	99	99
18	February "	101.4	101.7	91.2	158.3	101.3	102.7	100.0	100	96	99	99
19	March "	101.3	101.5	91.0	165.0	101.2	102.7	100.0	100	96	99	99
20	April "	101.3	101.3	90.8	166.5	101.2	102.7	100.0	100	96	99	99
21	May "	101.2	101.1	90.1	173.4	101.0	102.7	100.0	100	96	99	99
22	June "	101.1	101.0	89.4	175.3	100.9	102.7	100.0	100	96	99	99
23	July "	101.2	101.0	87.3	178.1	101.0	102.7	100.0	100	96	99	99
24	August "	101.2	100.9	86.9	179.8	101.0	102.7	100.0	100	96	98	99
25	September "	101.2	100.7	86.9	173.6	101.0	102.6	100.0	100	96	98	98
26	October "	101.0	100.7	86.5	166.1	100.8	102.2	100.0	100	96	98	98
27	November "	100.6	100.7	86.2	169.6	100.5	101.8	99.8	100	96	98	98
28	December "	100.7	100.6	85.6	167.0	100.6	101.4	99.7	100	96	98	98
29	January 1961	100.7	100.7	85.2	164.9	100.7	101.4	99.7	100	96	98	98
30	February "	100.8	100.7	85.4	169.4	100.7	101.4	99.7	100	96	98	98
31	March "	100.9	100.6	85.7	179.4	100.9	101.6	99.7	100	96	98	98
32	Percentage Variation of March 1961 over March 1960											
		-0.4	-0.9	-5.8	+8.7	-0.3	-1.1	-0.3	--	--	-1.0	-1.0

(a) Average of 40 weeks.

REPORT ON CURRENCY AND FINANCE, 1960-61

MENT 48

ALL-INDIA (ANNUAL AND MONTHLY)

of the Reserve Bank of India)

OF DEBENTURES

SUB-GROUP INDICES OF PREFERENCE SHARES (FIXED DIVIDEND INDUSTRIAL SECURITIES)

Jute Textiles	General Engin- coring	Elec- tricity Genera- tion and supply	Others	Planta- tions	Coal	Sugar	Cotton Texti- les	Jute Texti- les	Iron and steel	Gene- ral Engi- neering	Basic Indus- trial chemi- cals	Ce- ment	Paper	Elec- tricity Genera- tion and supply	Trad- ing	Ship- ping and other Trans- port	
12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	
98	101	102	101	100	92	85	80	86	90				87	96		1	
98	101	101	101	101	84	83	82	78	86				81	90		2	
95	98	99	98	91	78	74	73	65	80				78	85		3	
95	98	97	101	103	79	93	87	74	88	105	84	98	90	85	77	85	4
92	99	97	103	97	77	89	79	76	91	100	86	99	85	87	79	86	5
93	102	97	105	101	81	93	82	87	94	103	91	104	88	88	97	94	6
94	101	96	104	95	73	93	78	78	87	101	86	98	81	84	92	90	7
93	102	97	105	100	81	91	79	84	95	101	87	102	88	89	92	92	8
94	102	97	105	101	81	91	80	87	95	102	90	105	90	89	96	95	9
94	102	97	105	101	81	92	80	88	93	103	90	105	90	89	96	95	10
94	102	97	105	100	81	93	80	88	94	101	90	106	89	89	96	95	11
94	102	97	105	101	83	93	82	89	95	104	91	105	88	90	96	94	12
93	102	98	105	102	84	95	84	89	96	104	92	104	88	90	99	95	13
93	102	98	105	101	83	94	83	88	96	104	93	105	89	88	99	95	14
93	102	97	105	101	82	93	83	87	94	104	93	104	90	88	99	95	15
93	101	97	105	100	79	93	82	86	91	104	93	105	89	87	99	96	16
93	102	97	105	100	79	92	83	85	92	104	92	104	85	86	97	94	17
93	101	97	105	100	78	93	83	84	92	104	91	103	85	86	96	89	18
93	101	97	105	100	76	94	82	82	92	104	91	100	85	86	96	91	19
93	101	97	104	99	74	95	82	82	92	104	90	101	85	86	95	92	20
93	101	97	104	99	74	95	81	82	91	104	89	101	84	85	91	92	21
94	101	97	104	98	74	95	80	82	89	106	88	100	84	85	91	92	22
94	101	97	104	97	74	95	77	80	85	102	88	99	82	85	91	92	23
94	101	96	104	95	74	94	78	78	86	102	87	99	80	84	92	89	24
94	101	96	104	94	73	94	79	77	87	102	87	98	81	83	92	86	25
94	102	96	103	94	72	94	78	77	87	101	86	96	80	83	92	88	26
94	102	96	103	94	72	93	77	76	86	99	85	96	78	84	93	90	27
94	101	96	103	94	71	92	76	75	86	98	85	95	78	83	92	91	28
94	102	96	103	92	72	91	76	76	86	97	84	95	79	82	92	91	29
94	102	96	103	92	72	90	77	76	86	98	83	94	81	82	93	91	30
93	102	96	103	91	73	88	77	77	86	99	83	95	82	82	94	91	31

INDEX NUMBERS OF SECURITY PRICES

(Compiled by the Department of Statistics)

SUB-GROUP INDICES OF VARIABLE

Average of Weeks				Tea Plan- tations	Coffee Plan- tations	Rubber Plan- tations	Coal	Other Mining	Sugar	Cotton Textiles	Jute Textiles	Silk and Woollen	Iron and Steel
				29	30	31	32	33	34	35	36	37	38
(Base : 1949-50=100)													
1	1955-56	..	..	185(b)			81		105(c)	118(d)	95		154
2	1956-57	..	..	170(b)			78		105(c)	134(d)	70		147
3	1957-58	..	..	130(b)			67		95(c)	105(d)	52		119
(Base : 1952-53=100)													
4	1957-58(a)	..	..	144	182	136	87	145	160	120	63	329	116
5	1958-59	..	..	145	203	151	107	161	164	114	80	417	145
6	1959-60	..	..	160	200	165	114	172	179	129	97	663	161
7	1960-61	..	..	163	204	175	120	182	187	151	90	1051	160
8	April	1959	..	154	196	162	120	181	170	115	98	510	165
9	May	"	..	161	196	163	119	179	172	121	95	546	168
10	June	"	..	160	194	160	116	171	169	119	95	584	167
11	July	"	..	160	198	164	118	171	177	121	99	630	172
12	August	"	..	158	197	161	116	170	177	124	99	646	164
13	September	"	..	151	196	159	113	165	177	125	98	664	162
14	October	"	..	149	200	161	112	166	184	132	99	705	162
15	November	"	..	162	208	163	110	165	187	134	100	698	159
16	December	"	..	166	210	167	105	170	185	135	95	724	157
17	January	1960	..	167	205	169	108	169	183	141	95	707	151
18	February	"	..	166	200	169	111	172	179	140	93	718	150
19	March	"	..	170	206	180	117	180	183	145	96	839	154
20	April	"	..	168	205	180	120	183	185	145	95	934	155
21	May	"	..	169	211	183	124	191	190	148	94	1062	168
22	June	"	..	173	208	181	123	187	195	152	95	1125	164
23	July	"	..	171	214	182	123	183	194	160	92	1116	163
24	August	"	..	171	216	181	123	184	193	161	97	1110	167
25	September	"	..	162	210	172	120	172	192	155	92	1065	164
26	October	"	..	155	206	168	115	169	188	148	88	975	152
27	November	"	..	157	204	172	114	176	192	148	86	1066	153
28	December	"	..	156	193	172	115	179	187	144	84	1009	152
29	January	1961	..	152	188	169	117	177	175	144	84	994	153
30	February	"	..	155	194	170	123	182	171	150	85	1061	159
31	March	"	..	166	196	173	129	200	175	159	92	1135	169
32	Percentage Variation of March 1961 over March 1960			..	..	..	-2.4	-4.9	-3.9	-10.3	-11.1	-4.4	+9.7

(a) Average of 40 weeks (b) Including Coffee and Rubber Plantations (c) Including Breweries. (d) Including Woollen and Silk Textiles.

MENT 48—(Contd.)**—ALL-INDIA (ANNUAL AND MONTHLY)**

of the Reserve Bank of India)

DIVIDEND INDUSTRIAL SECURITIES

Transport Equip- ment	Elect- rical Machi- nery	Machi- nery other than Trans- port and Elec- trical	Basic Indus- trial Chem- icals	Cement	Paper	Elec- tricity Genera- tion and Supply	Trading	Shipp- ing and other Trans- port	Const- ruction	Banks	Insu- rance	Invest- ment Trust	
39	40	41	42	43	44	45	46	47	48	49	50	51	
			144	164	256	123		106		88	103	93	1
			144	176	266	112		118		94	87	90	2
			131	141	211	103		117		96	85	73	3
175	163	148	109	125	160	89	79	123	198	169	108	84	4
198	143	166	123	129	185	93	88	134	235	199	127	91	5
288	133	198	167	136	209	90	105	125	301	192	137	99	6
399	140	211	208	144	224	82	119	108	303	195	139	91	7
236	137	199	141	135	206	93	99	130	272	203	129	103	8
236	130	200	151	135	200	92	97	132	297	196	128	102	9
234	128	195	151	136	197	91	98	129	289	192	130	98	10
255	134	198	156	140	204	93	104	131	313	190	135	99	11
274	134	193	157	138	207	94	101	128	311	190	140	99	12
282	135	190	160	136	212	91	104	124	304	187	142	100	13
294	140	195	171	136	214	90	105	124	318	186	140	100	14
299	137	197	180	135	223	89	105	123	308	185	143	99	15
328	130	201	183	132	213	87	109	122	307	186	138	97	16
329	127	203	181	135	209	87	111	121	298	194	139	99	17
337	125	203	182	135	207	87	110	117	294	195	136	98	18
352	132	209	191	142	215	85	114	114	296	198	138	98	19
360	132	208	191	143	223	85	118	112	289	192	137	94	20
403	137	210	196	146	234	84	122	117	310	184	141	95	21
406	138	218	203	146	235	82	121	114	329	184	143	93	22
426	139	224	216	149	233	83	125	112	339	188	152	93	23
434	144	222	224	150	236	84	123	110	334	196	150	92	24
404	136	212	223	145	226	81	114	106	323	193	138	88	25
379	138	204	207	141	215	82	110	104	294	191	131	88	26
399	143	208	210	143	218	82	116	105	294	199	132	89	27
389	136	203	209	140	217	81	118	105	283	199	135	91	28
378	138	199	204	137	214	79	114	102	269	201	134	92	29
394	145	206	204	137	215	80	119	100	271	206	136	91	30
423	161	226	213	145	220	80	129	104	302	213	140	91	31
+20.2	+22.0	+8.1	+11.5	+2.1	+2.3	-5.9	+13.2	-8.8	+2.0	+7.6	+1.4	-7.1	32

STATE

YIELDS ON INDUSTRIAL SECURITIES—ALL-INDIA

(Compiled by the Department of Statistics)

ALL-

Variable Dividend

		Average of months/ month	Debentures (Total)	Preference (Total)	Total	Agriculture and Allied Activities			Mining and Quarrying			
						Total (a)	Tea Planta- tions	Coffee Planta- tions	Rubber Planta- tions	Total	Coal	Other Mining
			1	2	3	4	5	6	7	8	9	10
Old Series(d)												
1	1955-56	..	3.82	5.29	5.01						5.24	
2	1956-57	..	3.96	5.43	5.68						6.28	
3	1957-58	..	4.11	5.99	6.88						7.33	
4	1958-59	..	4.18	5.92	6.27						6.27	
5	1959-60	..	4.09	5.68	5.37						5.30	
Revised Series (e)												
6	1959-60(f)	..	3.97	5.44	5.27	6.09	6.17	6.06	7.60	6.19	5.82	6.44
7	1960-61	..	4.11	5.32	4.88	5.80	6.01	5.12	6.33	5.31	4.56	5.82
8	July 1959	..	3.98	5.48	5.40	6.16	6.21	6.42	8.04	6.30	5.89	6.59
9	August "	..	3.95	5.43	5.37	6.23	6.26	6.51	8.18	6.23	5.90	6.46
10	September "	..	3.94	5.40	5.41	6.36	6.45	6.55	7.95	6.28	6.02	6.45
11	October "	..	3.94	5.44	5.31	6.45	6.63	6.41	7.59	6.19	5.83	6.43
12	November "	..	3.97	5.47	5.21	6.04	6.15	5.86	7.40	6.12	5.66	6.44
13	December "	..	3.98	5.43	5.21	5.93	6.06	5.42	7.45	6.23	5.94	6.43
14	January 1960	..	3.99	5.46	5.22	5.98	6.04	5.79	7.49	6.28	5.92	6.53
15	February "	..	4.01	5.46	5.22	5.96	6.01	5.90	7.37	6.15	5.74	6.43
16	March "	..	4.02	5.43	5.06	5.67	5.74	5.67	6.90	5.93	5.51	6.22
17	April "	..	4.05	5.39	5.02	5.66	5.72	5.78	6.85	5.92	5.48	6.22
18	May "	..	4.06	5.44	4.87	5.59	5.64	5.67	6.86	5.35	5.38	5.33
19	June "	..	4.08	5.35	4.85	5.54	5.58	5.91	6.74	5.45	5.38	5.50
20	July "	..	4.08	5.33	4.70	5.41	5.55	5.72	5.90	5.45	5.17	5.64
21	August "	..	4.10	5.30	4.62	5.49	5.61	5.73	5.97	5.11	4.45	5.56
22	September "	..	4.11	5.33	4.82	5.75	5.88	5.92	6.41	5.40	4.59	5.96
23	October "	..	4.13	5.31	5.02	6.16	6.40	5.99	6.31	5.62	4.63	6.30
24	November "	..	4.14	5.26	4.95	5.98	6.24	5.43	6.06	5.35	4.13	6.18
25	December "	..	4.13	5.24	4.99	6.00	6.40	3.88	6.13	5.28	4.05	6.13
26	January 1961	..	4.14	5.24	5.04	6.13	6.51	4.04	6.34	5.24	3.96	6.13
27	February "	..	4.15	5.26	4.95	6.08	6.48	3.80	6.27	5.01	3.81	5.83
28	March "	..	4.16	5.32	4.71	5.76	6.16	3.59	6.09	4.53	3.68	5.11

[For footnotes please see end of the Statement.]

REPORT ON CURRENCY AND FINANCE, 1960-61

MENT 49

AND REGIONAL—BY GROUPS AND SUB-GROUPS

of the Reserve Bank of India)

INDIA

(Per cent per annum)

Industrial Securities

Processing and Manufacturing

Total	Foodstuffs, Textiles etc.					Metals and Chemicals					
	Total (a) (b)	Sugar (g)	Cotton Textiles (h)	Jute Textiles	Silk and Woollen	Total (a)	Iron and Steel (c)	Trans- port Equip- ment	Elect- rical Machi- nery	Machi- nery other than Trans- port and Elec- trical	Basic Indus- trial Chem- icals
11	12	13	14	15	16	17	18	19	20	21	22
		5.13	5.26	4.08			3.21				5.38
		5.79	5.25	4.55			3.40				5.90
		6.28	7.22	5.47			4.98				6.57
		5.89	6.45	5.69			4.31				6.76
		4.87	4.54	5.02			3.70				5.11
4.70	4.68	6.63	3.97	5.60	3.98	4.19	3.89	3.48	5.09	4.55	4.14
4.35	4.26	5.80	3.47	6.15	3.17	4.18	4.25	3.38	5.03	4.07	3.59
4.86	4.97	7.20	4.36	5.57	4.22	4.25	3.91	3.31	5.05	4.58	4.75
4.82	4.93	7.19	4.27	5.68	4.24	4.15	3.76	3.16	5.06	4.61	4.41
4.84	4.91	7.15	4.24	5.52	4.27	4.20	3.77	3.18	5.00	4.74	4.50
4.68	4.70	6.84	3.99	5.27	3.94	4.10	3.74	3.14	4.80	4.60	4.17
4.61	4.57	6.40	3.93	5.13	3.93	4.14	3.85	3.05	4.92	4.62	3.89
4.64	4.57	6.22	3.88	5.50	3.91	4.18	3.86	3.80	5.20	4.55	3.93
4.66	4.54	6.27	3.73	5.69	4.05	4.27	4.05	3.83	5.30	4.48	3.97
4.70	4.60	6.40	3.73	6.13	3.92	4.26	4.05	3.97	5.41	4.42	3.91
4.51	4.37	6.04	3.59	5.93	3.34	4.16	3.97	3.87	5.09	4.37	3.72
4.46	4.30	5.78	3.50	5.93	3.31	4.16	3.95	3.84	5.09	4.42	3.67
4.29	4.14	5.54	3.38	5.89	3.15	3.97	3.73	3.53	4.90	4.29	3.69
4.23	4.03	5.44	3.25	5.84	2.85	3.96	3.80	3.45	4.87	4.01	3.69
4.07	3.98	5.43	3.18	6.00	2.94	3.87	3.76	3.16	4.83	3.87	3.48
4.02	3.95	5.41	3.19	5.72	3.12	3.87	3.85	3.06	4.66	3.83	3.33
4.23	4.15	5.51	3.38	6.07	3.15	4.16	4.30	3.26	5.05	3.96	3.35
4.46	4.39	5.65	3.61	6.42	3.45	4.39	4.60	3.44	5.24	4.16	3.60
4.45	4.39	5.66	3.63	6.46	3.16	4.36	4.66	3.16	5.20	4.06	3.48
4.55	4.50	5.90	3.73	6.53	3.31	4.45	4.75	3.24	5.45	4.19	3.50
4.62	4.59	6.36	3.75	6.60	3.38	4.49	4.72	3.34	5.38	4.27	3.91
4.52	4.49	6.55	3.61	6.44	3.21	4.36	4.55	3.64	5.14	4.13	3.79
4.26	4.23	6.33	3.44	5.89	2.98	4.08	4.33	3.38	4.60	3.66	3.64

YIELDS ON INDUSTRIAL SECURITIES—ALL-INDIA

(Compiled by the Department of Statistics)

ALL - INDIA — *Contd*

Average of months/ month	Variable Dividend							
	Processing and Manufacturing (Contd)				Other Industries			
				Total (a)	Electricity Generation and Supply	Trading	Shipping and other Transport	Construc- tion
	Total (a)	Others Cement	Paper					
	23	24	25	26	27	28	29	30
Old Series (d)								
1 1955-56	..	4 51	4 75		5 75		4 52	
2 1956-57	..	4 56	6 05		6 16		5 12	
3 1957-58	..	5 76	7 62		7 02		6 26	
4 1958-59	..	5 91	6 67		6 71		4 98	
5 1959-60	..	5 77	5 92		6 79		4 74	
Revised Series (e)								
6 1959-60(f)	.. 5 69	6 07	5 02	6 49	6 86	8 58	5 25	4 12
7 1960-61	.. 4 90	5 21	4 76	6 05	6 28	8 38	5 17	4 49
8 July 1959	.. 5 65	5 93	5 03	6 46	6 81	8 36	5 46	3 90
9 August "	.. 5 72	6 08	4 93	6 49	6 75	8 65	5 56	3 94
10 September "	.. 5 79	6 25	4 79	6 66	6 94	8 53	5 82	4 09
11 October "	.. 5 67	6 13	4 76	6 66	7 02	8 55	5 47	4 10
12 November "	.. 5 60	6 06	4 77	6 49	7 00	8 38	4 98	4 06
13 December "	.. 5 72	6 05	5 13	6 40	6 85	8 31	4 88	4 10
14 January 1960	.. 5 75	6 10	5 31	6 44	6 90	8 52	4 89	4 13
15 February "	.. 5 76	6 11	5 34	6 38	6 66	9 01	4 98	4 16
16 March "	.. 5 54	5 96	5 10	6 43	6 80	8 91	5 20	4 64
17 April "	.. 5 44	6 00	4 84	6 43	6 81	8 67	5 36	4 77
18 May "	.. 5 31	5 90	4 70	6 33	6 91	8 22	5 10	4 52
19 June "	.. 5 31	5 96	4 62	6 39	7 01	8 49	5 19	4 28
20 July "	.. 4 70	5 03	4 59	6 20	6 67	8 24	5 28	4 11
21 August "	.. 4 51	4 76	4 53	6 03	6 27	8 20	5 39	4 18
22 September "	.. 4 57	4 74	4 69	6 20	6 42	8 64	5 65	4 27
23 October "	.. 4 78	4 88	5 10	6 17	6 16	8 79	5 79	4 58
24 November "	.. 4 76	4 90	4 97	5 99	5 88	8 81	5 54	4 52
25 December "	.. 4 84	5 10	4 71	5 80	5 89	8 65	4 61	4 61
26 January 1961	.. 4 95	5 19	4 85	5 80	5 87	8 49	4 71	4 73
27 February "	.. 4 92	5 16	4 81	5 70	5 76	7 90	4 74	4 73
28 March "	.. 4 66	4 88	4 72	5 55	5 67	7 51	4 63	4 57

Note — Tax-free yields of taxable securities are calculated, deducting income-tax at maximum rate and surcharge.

(a) Including Miscellaneous. (b) Including Edible and Vegetable oils. (c) Estimated from July 1956 to June 1957. (d) For details please see March 1956 issue of the Reserve Bank of India Bulletin.

REPORT ON CURRENCY AND FINANCE, 1960-61

MENT 49 (Contd.)

AND REGIONAL—BY GROUPS AND SUB-GROUPS

of the Reserve Bank of India)

(Per cent per annum)

				REGIONAL				
Industrial Securities—Contd.								
Financial				Variable Dividend Industrial Securities				
Total	Banks	Insurance	Investments	Bombay	Calcutta	Madras	Delhi	
31	32	33	34	35	36	37	38	
	5.70	4.71	6.01	4.55	4.98	6.86	4.63	1
	5.77	6.60	6.53	5.05	5.82	6.54	6.14	2
	6.44	7.27	7.37	6.36	6.95	7.41	7.11	3
	6.22	6.75	5.95	5.93	6.22	6.79	7.13	4
	6.01	7.17	6.03	5.32	5.25	5.99	6.36	5
6.64	6.46	7.53	6.28	4.96	5.38	6.00	5.39	6
6.31	5.93	7.55	6.85	4.51	5.16	5.23	5.25	7
6.96	6.79	7.59	7.01	5.11	5.45	6.29	6.01	8
6.79	6.59	7.47	6.93	5.06	5.41	6.31	5.67	9
6.67	6.47	7.32	6.95	5.12	5.43	6.34	5.50	10
6.73	6.53	7.42	6.93	4.98	5.40	6.14	5.52	11
6.77	6.71	7.30	6.21	4.95	5.32	5.87	5.33	12
6.70	6.63	7.53	5.54	4.88	5.38	5.85	5.25	13
6.44	6.24	7.64	5.51	4.89	5.37	5.82	5.11	14
6.43	6.18	7.75	5.72	4.86	5.40	5.81	5.13	15
6.29	5.99	7.76	5.69	4.74	5.22	5.60	5.00	16
6.25	5.93	7.82	5.61	4.73	5.18	5.54	4.88	17
6.36	6.12	7.81	5.28	4.57	5.02	5.44	4.88	18
6.50	6.11	7.73	7.22	4.53	5.04	5.40	4.92	19
6.38	6.01	7.49	7.13	4.29	4.97	5.22	4.85	20
6.19	5.92	6.82	7.15	4.23	4.91	5.07	4.80	21
6.35	6.00	7.26	7.32	4.43	5.17	5.09	4.85	22
6.45	6.03	7.66	7.37	4.59	5.41	5.24	5.24	23
6.30	5.82	7.68	7.34	4.56	5.29	5.15	5.42	24
6.23	5.76	7.66	7.15	4.59	5.33	5.11	5.41	25
6.19	5.74	7.65	6.87	4.64	5.36	5.20	6.12	26
6.27	5.85	7.63	6.80	4.57	5.25	5.15	5.96	27
6.23	5.83	7.45	6.97	4.35	4.94	5.09	5.64	28

(e) For details please see March 1960 issue of the Reserve Bank of India Bulletin. (f) Average of 9 months from July 1959 to March 1960. (g) Including Breweries in respect of old series. (h) Including Woollen and Silk in respect of old series.

STATEMENT 50

PRICES OF REPRESENTATIVE INDUSTRIAL SHARES

SCRIPTS	End of											1960-61		Percentage variations of (11) over	
	Sept. 1953	Nov. 1955	Aug. 1956	Dec. 1957	Dec. 1958	Dec. 1959	Mar. 1960	June 1960	Sept. 1960	Dec. 1960	Mar. 1961	Highest	Lowest		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
														4	7
Iron and Steel :															
Tata Ordinary	314.75	270.75*	212.75*	160.50	173.00*	159.50*	147.00	157.75	153.75	140.00	152.25	164.50	138.00	- 5 1	+ 3.6
Indian Iron	23.16	43.25	36.81	18.70*	24.72	23.22*	22.48	24.28	24.05	23.22	26.87	27.24	22.41	+ 43 7	- 19.5
Cotton Textiles :															
Bombay Dyeing	356.25	617.50	667.50	49.80(a)	55.40	71.30	67.70	67.00	64.70	60.50	66.60	71.90	58.50	+ 33 7	- 1.6
Kohinoor	276.50	356.00	379.00	259.50	233.50	337.00	319.50	344.50	305.00	267.50	311.00	372.00	259.50	+ 19.8	- 2.7
Century	256.50	495.00	584.50	382.00	416.50*	456.00*	446.50	516.00	465.00	455.00	576.00	583.50	440.00	+ 50 8	+ 29.0
Buckingham	122.00	181.50	205.00	155.00	174.00	200.00	200.00	206.00	200.00	198.00	205.50	207.50	191.00	+ 32 6	+ 2.8
Madura	39.50	52.25	52.25	33.75	28.55	30.50	33.62	32.75	33.85	34.90	39.40	40.40	32.50	+ 16 7	+ 17.2
Jute Textiles :															
Anglo-India	200.00	228.00	188.00	146.50	202.00	211.00	215.00	208.00	201.00	184.00	222.00	231.00	174.00	+ 51.5	+ 3.3
Howrah	23.00	30.12	24.25	13.44	18.44	24.62	23.00	22.50	21.00	20.00	22.37	23.94	19.50	+ 66 4	- 2.7
National	23.56	34.31	26.37	22.10	25.25	27.00	30.75	23.75	23.75	23.25	21.50	30.25	20.50	- 2 7	- 30.1
Banks :															
India	155.50	160.00	172.00	132.25*	137.00	111.25	102.00	97.70	100.00	106.00	120.00	125.00	96.00	- 9 3	+ 17.6
Central	63.75	53.00	53.00	52.30	58.50	48.75	47.00	47.00	49.00	53.00	61.00	61.50	44.75	+ 16 6	+ 29.8
Coal :															
Bengal	507.00	548.00	542.00	228.00*	261.00	296.00	330.00	339.00	320.00	317.00*	356.00	351.00	314.00	+ 56 1	+ 7.9
Central India	4.87	8.75	7.44	5.94	6.94	7.87	10.16	12.50	10.69	11.62	13.69	15.00	10.00	+ 130.5	+ 34.7
Tea Plantations :															
Hasimara	27.50	41.62	33.87	21.12	20.25	23.25	24.19	24.00	21.25	21.75	28.44	29.00	21.19	+ 34.7	+ 17.6
Hantapara	171.00	330.00	197.00*	113.00	109.00	168.00	155.00	144.50	130.00	142.00	150.00	156.00	121.00	+ 32.7	- 3.2
Periakaramalai	6.75	9.19	11.25	4.05*	3.85	3.85	3.80	3.72	3.54	3.40	4.01	4.20	3.35	- 1 0	+ 5.5

(Rupees)

REPORT ON CURRENCY AND FINANCE, 1960-61

Engineering :

Texmaco	..	6.12	20.44*	24.19	15.60	20.30	26.65	25.65	27.10	22.70	22.95	22.60	29.40	21.45	+ 44.9	+ 11.9
Guest, Keen, Williams	..				29.12	38.00	48.00	42.62	48.00	45.00	36.87*	44.12	53.25	36.00	+ 51.5	+ 3.5
Tata Locomotives	..		147.50	176.00	137.25	157.00*	214.00	207.00	262.00	266.25	295.00	339.50	351.00	204.00	+ 147.4	+ 64.0
Premier Construction	..		84.25	183.50	214.50	154.00	230.75	366.50	315.50	352.50	288.50	205.00*	390.00	183.00*	+ 33.1	- 35.0
Jessop & Co.	..		22.81	67.00	34.12*	22.12	24.31	24.44*	25.37	24.31	19.75	24.00	26.62	19.00	+ 8.5	+ 5.4

Electricity :

Andhra Valley	..	1,325.00*	1,350.00	1,242.50	1,117.50	1,197.50	1,090.00	987.50	1,002.50	995.00	1,000.00	992.50	1,030.00	972.50	- 11.2	+ 0.5
Tata Power	..	1,381.25	1,397.50	1,305.00	1,155.00	1,220.00	1,140.00	1,041.25	1,030.00	1,027.50	1,035.00	1,020.00	1,095.00	1,007.50	- 11.7	- 2.0

Miscellaneous :

'Belapur Sugar	..	242.00	372.00	254.50*	252.00	295.50	335.00	326.50	375.00	362.00	339.50	301.00	435.00	271.00	+ 19.4	+ 7.8
Deccan Sugar	..	8.87	10.06	13.00	7.85*	10.82	14.05	13.95	15.10	15.40	15.15	14.35	17.00	13.91	+ 82.8	+ 2.9
Cochin Malabar	..	6.37	8.87	13.12	4.25*	5.46	7.20	7.67	8.65	7.25	6.95	7.95	8.80	6.75	+ 87.1	+ 3.7
Consolidated Co ^{ee}	..	18.00	24.25	22.37*	28.00	24.65	25.50	22.90	26.10	25.95	22.70	23.75	27.55	21.20	+ 15.2	+ 3.7
A.C.C.	..	170.00	227.25*	205.25*	151.00*	150.25	151.50	139.75	142.00	142.50	148.50	156.00	159.00	138.75	+ 3.3	+ 11.6
India Cement	..	3.12	6.62	6.50*	4.70	5.10*	6.25	6.03	6.87	7.10	5.86*	6.06	7.35	5.75	+ 28.9	+ 0.5
F.A.C.T.	..	3.00	7.56	7.25	3.90	7.20	10.20	10.90	10.50	10.75	9.60	11.20	13.20	9.28	+ 187.2	+ 2.8
Tata Chemicals	..	8.53	18.87	20.00	12.80*	14.40	16.80	17.64	18.04	16.20	17.16	20.08	22.04	15.52	+ 56.9	+ 13.8
Amar-Dye Chem.	..				100.00	106.00	269.00	292.50	470.00	400.00	375.00	410.00	527.50	269.00	+ 310.0	+ 40.2
Colour Chem.	..						315.00	320.00	490.00	390.00	302.50	362.50	510.00	280.00	+ 13.3	
Scindia Steam	..	13.66	18.03	18.62	17.08*	21.04	17.32	14.40	15.88	14.12	15.40	15.68	17.32	13.32	- 8.2	+ 8.9
Ashok Leyland	..		6.19	5.31	4.45	5.80	7.20*	7.23	8.95	8.30	8.12*	9.58	9.80	7.15	+ 115.3	+ 32.5
Premier Automobiles	..			109.00	87.50	80.20	163.50	140.50*	137.00	156.50	163.50	177.50	197.00	137.50	+ 102.9	+ 26.3
Hindustan Motors	..				5.69	6.52	15.62	18.06	20.69	18.56	18.81	21.50	23.75	18.00	+ 277.9	+ 19.0
Dunlop Rubber	..		29.12	35.87	29.94	19.75*	29.87	36.00	44.44	41.50	41.87	50.00	50.75	39.00	+ 153.2	+ 28.2
Ceat Tyres	..					62.00	176.00	177.50	275.00	235.00	220.00	300.00	310.00	175.00	+ 69.0	
Orient Paper	..		32.50	34.62	40.31	24.25	29.20	38.50	41.70	45.00	41.70	41.00	48.75	39.20	+ 69.1	+ 1.7
West Coast Paper	..				65.00	111.50	163.50	157.50	205.00	187.50	183.00	214.50	240.00	151.00	+ 230.0	+ 36.2
Bombay-Burmah (Old)	..	331.87	658.75	762.50	520.00	476.50*	576.50	565.50	598.00	576.00	557.50	616.00	658.00	539.50	+ 18.5	+ 8.9
Volvas	..				112.75	132.00	197.00	228.50	267.50	260.00	264.00	290.00	307.00	220.00	+ 157.2	+ 26.9
Imperial Tobacco	..		15.00	15.69	11.75	11.85	11.00	10.81	12.50	11.19	11.06	11.37	14.25	10.94	+ 3.2	+ 5.2
National Rayon	..	112.25	241.00	265.00	211.25	233.25*	378.00	469.00	539.00	473.00	481.00	538.00	617.00	437.00	+ 154.7	+ 14.7

* Ex-right.

(a) Split Share.

Source : Stock Exchanges.

REPORT ON CURRENCY AND FINANCE, 1960-61

STATEMENT 51

ASSAYING AND REFINING OF GOLD AND SILVER AT THE INDIA GOVERNMENT MINTS

					(Kilograms)
Melting and Assaying at				Refining (a) at	
	Bombay	Alipore	Total	Bombay	
GOLD					
1950-51	.. 1,62	28,59(b)	30,21	217,37	
1955-56	.. 1,14	1,21	2,35	121,53	
1956-57	.. 54	73	1,27	125,63	
1957-58	.. 1,31	10	1,41	112,28	
1958-59	.. 69	20	89	157,79	
1959-60	.. 89	9	97	97,41	
1960-61	.. 1,05	33	1,39	99,70	
SILVER					
1950-51	.. 14,82	1,123,15(b)	1,137,97	192,50	
1955-56	.. 41	529,06	529,47	1,96	
1956-57	.. 85	1,680,88	1,681,73	1,39	
1957-58	.. 58	1,523,93	1,524,51	76	
1958-59	.. 61	982,80	983,41	2,25	
1959-60	.. 63,49	710,81	774,30	—	
1960-61	.. 9,01	614,32	623,33	12	

(a) The Calcutta and Alipore Mints did not undertake any refining work.

(b) Figures relate to the Calcutta Mint.

STATEMENT 52

PRICES (a) OF SILVER IN BOMBAY (ANNUAL AND MONTHLY)

(Rupees per Kilogram)

		Spot			Forward (b)			Estimated Floating Stocks (c) (in bars of 10 kilograms)
		Highest	Lowest	Average (d)	Highest	Lowest	Average (d)	
1950-51	..	170.40	149.07	159.37	169.11	148.70	158.39	12,172
1955-56	..	157.59	132.68	144.65	158.13	128.28	142.95	3,184
1956-57	..	160.64	144.63	150.58	160.21	142.54	150.26	4,481
1957-58	..	168.09	151.91	158.32	168.04	151.80	158.08	2,525
1958-59	..	173.19	152.99	162.95	173.78	153.89	163.25	3,119
1959-60	..	187.12	164.50	176.08	187.07	161.71	175.07	2,675
1960-61	..	209.30	181.00	193.64	209.30	181.22	191.77	1,645
April 1960	..	192.79	184.43	187.65	189.05	181.22	184.46	1,323
May	..	198.26	181.12	188.34	190.76	181.38	185.74	526
June	..	185.78	181.00	182.57	187.07	181.28	183.24	1,186
July	..	191.14	184.86	187.75	190.01	185.08	186.99	1,061
August	..	193.07	189.31	190.96	193.17	187.81	190.63	1,368
September	..	194.62	190.86	193.14	195.31	190.71	193.46	1,794
October	..	194.85	190.10	192.25	196.50	191.15	193.86	1,938
November	..	196.85	194.35	195.40	198.50	194.55	196.64	1,831
December	..	196.65	192.30	194.73	198.45	193.10	195.93	2,275
January 1961	..	209.25	195.15	202.54	209.30	195.15	203.50	2,038
February	..	209.30	205.55	207.10	208.90	204.90	206.70	2,125
March	..	208.20	200.60	204.31	208.45	198.50	204.09	2,180

Note :—Import duty per kilogram (inclusive of a surcharge of 5 per cent) was Rs. 8.44 upto May 2, 1956, Rs. 16.88 upto May 15, 1957 and Rs. 16.08 thereafter. Spot and settlement prices are quoted per kilogram from October 1, 1960 instead of per 100 tolas ; earlier prices are converted by using the conversion factor 1 tola = 11.6638 grams.

(a) Spot quotations for Silver relate to .999 fineness for 1950-51 and thereafter to below .996 fineness.
(b) Monthly settlements. In arriving at the highest, lowest and average prices all settlement rates have been taken into account. (c) Average of week-end stocks. Quoted in bars of 10 kilograms from the week ended September 30, 1960 ; earlier data are converted by using the same conversion factor as given in the 'Note'. (d) Average of closing quotations on working days.

Source : Bombay Bullion Association Ltd.

STATEMENT 53

PRICES OF GOLD AND SOVEREIGN IN BOMBAY (ANNUAL AND MONTHLY)

	Gold (a) (Rs. per 10 grams)						Sovereign (Rs.)				Estimated Floating Stocks of Gold(e) (Kilograms)	
	SPOT			FORWARD(b)			SPOT					
	Highest	Lowest	Average(c)	Highest	Lowest	Average(c)	Highest(d)	Lowest(d)	Average(c)			
1950-51	..	..	102.99	89.81	97.28	101.91	89.59	97.06	78.25	73.81	76.05	902
1955-56	..	..	91.79	76.66	82.18	91.69	73.84	80.85	66.75	59.00	61.29	263
1956-57	..	..	93.98	84.83	89.61	93.45	83.97	89.22	70.00	65.75	67.58	287
1957-58	..	..	98.06	89.59	92.99	96.98	89.22	92.54	72.25	68.75	70.39	224
1958-59	..	..	103.31	89.33	96.09	102.72	88.90	95.70	76.00	69.75	72.06	282
1959-60	..	..	107.98	99.88	103.71	114.56	98.48	105.50	86.50	75.75	80.10	372
			115.42	101.22	108.20							
1960-61	..	..	124.40	107.12	114.91	124.50	107.12	114.05	95.25	84.75	89.05	373
April	1960	..	117.46	111.29	113.61	114.77	108.56	110.78	88.00	86.50	87.06	292
May	"	..	118.91	107.43	113.25	115.74	107.27	110.96	88.50	86.00	88.17	306
June	"	..	109.90	107.12	108.10	109.79	107.12	108.24	85.75	85.25	85.47	411
July	"	..	113.36	109.74	111.45	111.94	109.36	110.77	86.37	84.75	85.59	336
August	"	..	115.37	112.58	113.92	115.15	111.24	113.18	87.25	86.50	86.79	318
September	"	..	116.89	114.41	115.70	117.35	113.76	115.71	88.25	87.25	87.51	378
October	"	..	115.95	112.40	114.32	117.35	113.70	115.50	90.12	88.25	89.33	479
November	"	..	116.10	114.30	115.33	117.05	114.75	116.00	90.12	89.75	89.99	425
December	"	..	115.10	113.50	114.33	116.25	113.85	115.12	90.50	89.75	90.14	315
January	1961	..	121.65	114.90	117.87	121.65	114.80	118.72	94.37	90.00	91.11	417
February	"	..	123.20	119.85	121.38	122.75	119.80	121.41	94.00	93.25	93.64	337
March	"	..	124.40	118.85	121.80	124.50	119.45	121.98	95.25	93.75	94.75	478

Note :—Import duty per 10 grams (inclusive of surcharge of 5 per cent) was Rs. 11.25 upto May 1957 and Rs. 12.86 thereafter.

(a) Spot and settlement prices are quoted per 10 grams from October 1, 1960 instead of per tola ; earlier prices are converted by using the conversion factor 1 tola = 11.6638 grams. Spot prices relate to Mysore Gold upto July 13, 1958, Abyssinian Gold from July 14, 1958 to July 31, 1959 and Gold Bullion thereafter. (b) Monthly settlements. In arriving at the highest, lowest and average prices all settlement rates have been taken into account. (c) Average of closing quotations on working days. (d) Figures relate to closing prices on working days. (e) Average of week-end stocks. Quoted in kilograms from the week ended September 30, 1960 ; earlier data are converted by using the same conversion factor as given in (e).

Source : Bombay Bullion Association Ltd.

STATEMENT 54

PRICES (WEEKLY) OF GOLD AND SILVER AND ESTIMATED STOCKS IN BOMBAY, 1960-61

	Gold (a)				Silver (b)				
	Spot	Forward(c)	Premium(+) or Discount(-) of Spot over Forward	Estimated Floating Stocks (Kilograms)	Spot	Forward(c)	Premium(+) or Discount(-) of Spot over Forward	Estimated Floating Stocks (in bars of 10 kilograms)	
	(Rs. per 10 grams)				(Rs. per kilogram)				
As at the close of 1960									
April	1	111.99	111.51	+0.48	373	185.88	185.72	+0.16	2286
"	8	112.31	112.31	—	280	184.65	184.60	+0.05	1960
"	15	112.15	110.65	+1.50	327	186.10	184.07	+2.03	1306
"	22	114.67	112.31	+2.36	198	189.90	187.65	+2.25	653
"	29	116.17	114.51	+1.66	280	192.79	189.00	+3.79	408
May	6	117.67	114.99	+2.68	292	195.48	189.85	+5.63	261
"	13	112.74	112.74	—	350	188.62	189.05	-0.43	327
"	20	112.53	112.90	-0.37	327	187.76	187.92	-0.16	702
"	27	111.03	109.20	+1.83	257	182.35	182.35	—	816
June	3	108.03	107.86	+0.17	350	181.22	181.43	-0.21	1143
"	10	107.92	107.86	+0.06	467	181.95	182.16	-0.21	1306
"	17	108.29	108.56	-0.27	455	182.35	182.67	-0.32	1306
"	24	107.68	108.00	-0.32	373	183.47	183.64	-0.17	980
July	1	109.88	109.55	+0.33	303	185.19	185.40	-0.21	980
"	8	110.33	110.12	+0.21	315	186.15	186.26	-0.11	980
"	15	111.88	111.72	+0.16	327	188.24	188.35	-0.11	1061
"	22	113.17	111.75	+1.42	327	189.96	187.60	+2.36	980
"	29	111.67	111.19	+0.48	408	190.12	188.83	+1.29	1306
August	5	113.17	113.17	—	327	190.55	191.35	-0.80	1225
"	12	114.03	113.39	-0.64	327	191.57	190.71	+0.86	1306
"	19(d)	113.70	112.79	+0.91	327	190.71	190.71	—	1470
"	26(d)	114.89	114.29	+0.60	292	191.72	191.72	—	1470
September	2	114.89	114.62	+0.27	222	191.19	191.51	-0.32	1633
"	9	115.31	115.37	-0.06	362	193.44	193.55	-0.11	1796
"	16	116.60	116.84	-0.24	292	193.81	194.62	-0.81	1796
"	23	116.81	117.29	-0.48	478	194.46	195.15	-0.69	1796
"	30(d)	114.67	115.42	-0.75	535	192.48	193.07	-0.59	1950

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October	7	..	112.80	114.10	-1.30	458	190.50	192.15	-1.65	1950
"	14	..	114.10	115.05	-0.95	408	191.75	193.15	-1.40	2100
"	21(d)	..	113.65	114.70	-1.05	583	193.10	194.05	-0.95	1950
"	28	..	115.15	115.50	-0.35	466	193.65	193.95	-0.30	1750
November	4	..	114.80	114.75	-0.05	465	195.00	195.05	-0.05	1625
"	11	..	115.40	116.60	-1.20	535	195.10	196.80	-1.70	1800
"	18	..	114.75	115.60	-0.85	350	195.25	196.70	-1.45	1950
"	25	..	115.85	115.85	—	350	195.20	196.30	-1.10	1950
December	2	..	114.50	114.45	+0.05	350	196.40	196.70	-0.30	2275
"	9	..	113.75	114.95	-1.20	350	194.25	196.05	-1.80	2600
"	16	..	114.70	115.20	-0.50	350	194.60	196.35	-1.75	2600
"	23	..	114.50	114.80	-0.30	233	193.45	193.95	-0.50	1950
"	30	..	113.70	113.95	-0.25	292	194.50	194.60	-0.10	1950
1961										
January	6	..	115.40	116.20	-0.80	583	197.55	198.55	-1.00	2100
"	13	..	116.40	117.05	-0.65	583	201.65	202.05	-0.40	1950
"	20	..	118.55	118.55	—	233	204.60	204.60	—	2150
"	27	..	120.45	120.35	+0.10	268	207.55	207.55	—	1950
February	3	..	120.25	120.20	-0.05	292	207.50	206.90	+0.60	1950
"	10	..	122.85	122.40	+0.45	350	208.70	208.30	+0.40	1950
"	17	..	121.10	121.35	-0.25	385	207.00	207.10	-0.10	2300
"	24	..	120.95	120.95	—	321	205.85	206.05	-0.20	2300
March	3(d)	..	121.45	121.80	-0.35	233	206.15	206.15	—	2300
"	10	..	123.45	123.50	-0.05	315	206.10	206.30	-0.20	2300
"	17(d)	..	122.45	123.00	-0.55	420	205.00	204.90	+0.10	2300
"	24	..	121.00	121.55	-0.55	665	202.80	202.70	+0.10	2000
"	31	..	119.35	119.65	-0.30	758	202.10	202.20	-0.10	2000

(a) Spot prices of gold relate to gold bullion. (b) Spot prices of silver relate to below .996 fineness. (c) Monthly settlements; when two or three settlements run during one week, the quotation for the first settlement only is shown. (d) Market closed; preceding working day's quotations are given.

Source: Bombay Bullion Association Ltd.

BUDGETARY POSITION OF THE GOVERNMENT OF INDIA

Note :—Accounts are provisional. Budget estimates for 1961-62 relate to those presented to the Lok Sabha.

(a) Excluding States' share of excise duties and other taxes. (b) Including the effect of budget proposals; subsequent modifications in tax proposals estimated to cost Rs. 6.1 crores have not been taken into account. (c) Excluding the payment of States' share of excise duties and additional excise duties. (d) Excluding Treasury bill receipts. (e) Excludes the conversion of *ad-hoc* Treasury bills of Rs. 300 crores into 4 per cent 1973 which was taken over by the Reserve Bank in July 1958 and is not intended to be placed on the market, but includes sales of Treasury bills of Rs. 25.5 crores through public auction. (f) Excludes *ad-hoc* Treasury bills of Rs. 150 crores funded in December, 1959. (g) Excludes *ad-hoc* Treasury bills of Rs. 50 crores funded in January 1961. (h) Excludes an amount of Rs. 17.9 crores, representing *ad-hocs* issued to the Reserve Bank or purchase of gold for part payment of gold for reserve payment to the I.M.F. (i) Remittances and transfer of cash between England and India. (j) Mostly sold to the Reserve Bank.

STATEMENT 56

CONSOLIDATED BUDGETARY POSITION OF STATES

(Crores of Rupees)									
	1951-52 (Acc- ounts)	1955-56 (Revised)	1956-57 (Budget)	1957-58 (Acc- ounts)	1958-59 (Acc- ounts)	1959-60 (Acc- ounts)	1960-61 (Budget) (Revised)		1961-62 (Budget)
I. Revenue Account									
Revenue (a)	546.3	570.6	711.7	812.6	907.0	943.0	1010.8	1021.4
Expenditure (a)	624.8	654.2	683.9	765.1	869.8	940.2	996.9	1057.4
Surplus (+) or deficit (-)	-78.5	-83.6	-27.8	-47.5	+37.2	+2.8	+13.9	-36.0
II. Capital Account									
Receipts (b)	379.7	426.9	400.0	441.5	482.0	526.7	545.7	613.3
Disbursements	369.8	454.1	432.1	434.9	507.4	582.6	646.7	643.2
Surplus (+) or Deficit (-)	-9.9	-27.2	-32.1	+6.6	-25.4	-55.9	-101.0	-29.9
III. Miscellaneous (Net)(c)									
Miscellaneous (Net)(c)	-0.8	+0.9	-15.6	-1.6	-0.4	+1.1	-4.6	-0.7
IV. Overall Surplus (+) or Deficit (-) ..									
Overall Surplus (+) or Deficit (-)	-69.4	-109.9	-19.9	-52.5	-11.4	-52.0	-91.7	-66.6
Financed by:									
V. Increase (+) or Decrease (-) in Cash									
Balances(d)	-51.1	-60.9	-12.2	+3.5	-22.7	+11.3	-14.2	-46.7
(1) Opening Balance	92.1	41.0	27.6	14.5	18.0	-11.1	-	-14.2
(2) Closing Balance	41.0	-19.9	15.4	18.0	-4.7	0.2	-14.2	-60.9
VI. Purchase (+) or Sale (-) of Securities ..									
Purchase (+) or Sale (-) of Securities	-18.3	-49.0	-7.7	-49.0	+34.1	-63.3	-77.5	-19.9

Note: The figures for 1951-52 do not include Part C States (Viz., Ajmer, Bhopal, Coorg, Delhi, Himachal Pradesh and Vindhya Pradesh) since they had capital budgets only from 1954-55. For 1955-56 and 1956-57 revised and budget estimates respectively are used since later figures are not available. The figures of purchase and sale of securities upto 1956-57 relate to Part A and Part B States. The figures from 1957-58 onwards relate to the reorganised States which exclude Delhi and Himachal Pradesh which are now Union Territories and include Kutch which was a part of the Composite State of Bombay till 1959-60 and now a part of Gujarat State. The figures from 1957-58 onwards include Jammu and Kashmir. The budget estimates for 1960-61 are before tax changes except in the case of Andhra Pradesh, Orissa and Rajasthan. The budget estimates for 1961-62 are before tax changes except in the case of Orissa and Rajasthan.

(a) Transfers from and to funds are excluded from revenue and expenditure, respectively. (b) Excluding net purchase or sale of securities. (c) Consists of remittances. (d) Including overdraft.

STATEMENT 57

REVENUE AND EXPENDITURE OF THE GOVERNMENT OF INDIA (ON REVENUE ACCOUNT)

(Crores of Rupees)

	1950-51 (Accounts)	1955-56 (Accounts)	1956-57 (Accounts)	1957-58 (Accounts)	1958-59 (Accounts)	1959-60 (Accounts)	1960-61 (Budget) (Revised)		1961-62 (Budget)
REVENUE									
I. Taxes on Income and Expenditure (1+2+3)	125.70	113.23	144.17	146.40	151.18	176.88	188.84	178.92	194.01
Taxes on Income, other than Corporation Tax	132.73	131.35	151.74	163.70	172.01	148.85	105.00	127.50	133.00
Less States' share	47.52	55.16	58.75	73.43	75.80	79.32	52.06	86.98	80.79
1. Net Receipts	85.21	76.19	92.99	90.27	96.21	69.53	52.94	40.52	52.21
2. Corporation Tax	40.49	37.04	51.18	56.13	54.33	106.56	135.00	137.50	141.00
3. Expenditure Tax	—	—	—	—	0.64	0.79	0.90	0.90	0.80
II. Taxes on Property and Capital Transactions (1+2+3+4+5)	3.81	2.55	2.41	10.61	14.91	17.02	11.91	12.43	11.91
Estate Duty	—	1.81	2.11	2.31	2.70	2.91	3.00	3.00	3.00
Less States' share	—	1.86	2.41	2.40	2.38	2.76	2.90	2.91	2.91
1. Net Receipts	—	0.05	0.30	0.09	0.32	0.15	0.10	0.09	0.09
2. Tax on Wealth	—	—	—	7.04	9.67	12.11	7.00	7.50	7.00
3. Gift Tax	—	—	—	—	0.98	0.81	0.80	0.80	0.80
4. Stamps and Registration	1.81	1.72	2.17	3.31	3.41	3.35	3.44	3.47	3.44
5. Land Revenue	2.00	0.88	0.54	0.35	0.53	0.60	0.57	0.57	0.58
III. Taxes on Commodities and Services (1-2+3+4)	227.49	295.69	347.18	418.32	386.97	448.54	475.30	493.84	562.08
Customs :	107.70	127.98	140.52	150.94	116.53	135.82	143.62	146.88	178.85
Imports	47.36	37.76	28.67	26.83	20.84	14.89	16.28	13.72	11.72
Exports	6.37	4.22	7.31	7.28	5.41	9.56	5.90	7.40	7.20
Other Revenue	4.28	3.26	3.27	5.06	4.49	4.16	3.30	5.00	4.50
Less Refunds	157.15	166.70	173.23	179.99	138.29	156.11	162.50	163.00	193.27
1. Net Receipts	67.54	145.25	190.43	273.62	312.94	360.65	379.62	394.98	437.14
Union Excise Duties (Of which additional excise duties)	(—)	(—)	(—)	(2.61)	(16.12)	(28.32)	(41.20)	(40.69)	(40.95)
Less States' share	—	16.57	18.22	40.22	72.99	74.70	74.92	75.10	78.63
2. Net Receipts	67.54	128.68	172.21	233.40	239.95	285.95	304.70	319.88	358.51
Tax on Railway Passenger Fares	—	—	—	3.68	12.24	12.81	12.77	13.67	—
Less State's share	—	—	—	4.41	10.89	13.07	12.66	13.79	—
3. Net Receipts	—	—	—	—	1.35	—	0.11	—	—
4. Other Taxes & Duties	2.80	0.31	1.74	5.66	7.38	6.74	7.99	0.12	—
Total Tax Revenue (I+II+III)	—	—	—	—	—	—	—	11.08	10.30
IV. Administrative Receipts	357.00	411.47	493.76	575.33	553.06	642.44	676.05	685.19	768.00(a)
Total	12.53	17.08	16.90	43.58	53.94	52.31	56.26	55.85	51.75

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VI. Net Contribution of Public Undertakings

1. Railways	23.16	28.92	31.81	36.27	35.96	53.89	52.01	57.32	71.54
2. Posts and Telegraphs	6.50	5.80	5.86	6.29	6.26	5.63	5.64	5.06	21.29
3. Currency and Mint	3.98	3.47	6.32	3.71	6.42	5.13	0.47	0.46	0.77
(Profits of the Reserve Bank of India)	9.71	19.75	19.44	26.04	23.43	43.00	46.95	46.98	48.67
4. Others (b)	(9.91)	(20.00)	(20.00)	(30.00)	(30.00)	(40.00)	(40.00)	(40.00)	(42.50)
VII. Other Revenue	2.97	0.10	0.19	0.23	—	0.13	—	0.18	0.81
VIII. Total Revenue (IV + V + VI + VII)	13.17	23.72	20.76	18.20	27.25	29.95	40.11	34.88	34.90
	405.86	481.19	563.23	673.38	670.21	778.59	824.43	828.24	926.19

EXPENDITURE

IX. Collection of Taxes, Duties and Other

Principal Revenues (c)	10.24	12.51	14.45	16.56	19.44	20.84	22.38	22.69	21.14
X. Civil Administration (d)	21.29	33.57	38.06	42.01	48.11	52.04	60.59	61.53	58.37
XI. Defence Services (Net)	164.13	172.23	192.15	256.72	250.93	230.86	272.26	266.72	282.92
XII. Debt Services (e)	37.36	43.14	39.06	42.08	48.63	69.38	74.59	72.35	81.90
XIII. Pensions, Superannuation and Privy Purses (including allowances)	6.99	8.97	8.96	9.24	9.52	9.97	10.11	10.33	10.40
XIV. Extraordinary Charges (f)	0.07	—	—	—	—	—	10.00	5.00	10.55
XV. Miscellaneous (g)	44.28	48.82	42.34	61.03	73.05	90.41	129.48	123.82	50.24
XVI. Social and Development Services (h)	39.50	82.41	108.09	154.14	175.74	210.09	250.88	243.61	195.35
XVII. Contributions and Miscellaneous Adjustments between Union and State Governments (i)	15.59	35.87	28.26	45.90	46.25	48.94	51.81	51.87	210.93
XVIII. Other Expenditure (j)	7.19	3.22	2.46	3.65	3.79	3.51	3.03	3.98	4.12
XIX. Total Expenditure	346.64	440.74	473.83	631.33	675.46	736.04	885.13	861.90	925.92
Surplus (+) or Deficit (—)	+59.22	+40.45	+89.40	+42.05	—5.25	+42.55	—60.70	—33.66	+0.27

Note:— (1) The figures of total revenue and expenditure as given in the Statement differ from those in the Budget papers as receipts from forests, opium and currency and mint are shown on a net basis and States' share of Union excise duties and additional duties of excise are excluded. Budget estimates for 1961-62 relate to those presented to the Lok Sabha.

(2) Figures under revenue and expenditure for 1957-58 to 1961-62 include self-balancing items in respect of (i) grants under P.L. 480 amounting to Rs. nil in 1957-58, 1958-59 and 1959-60 (Accounts), Rs. 10 crores in 1960-61 (Budget), Rs. 5 crores in 1960-61 (Revised) and Rs. 10 crores in 1961-62 (Budget) and (ii) Steel Equalisation Fund for Rs. 41 crores in 1957-58, Rs. 24 crores in 1958-59, Rs. 26 crores in 1959-60, Rs. 32 crores in 1960-61 (Budget), Rs. 30 crores in 1960-61 (Revised) and Rs. 27 crores in 1961-62 (Budget).

(a) Including the effect of budget proposals; subsequent modifications in tax proposals estimated to cost Rs. 6.1 crores have not been taken into account. (b) Including forests, opium, irrigation, electricity and road and water transport schemes. (c) Excludes forests, opium and States' share of Union excise duties and additional excise duties upto 1960-61; figures for 1961-62 exclude forests and opium only. (d) Comprises General Administration, Audit, Administration of Justice, Jails, Police, Tribal Areas and External Affairs; with effect from 1961-62 expenditure relating to Tribal Areas would be adjusted under the relevant Major Heads most closely connected with the object of the expenditure. (e) Include appropriation for reduction or avoidance of debt. (f) Include provision for grants to States for G.M.F. Schemes, relief in natural calamities etc. From 1954-55 these items are transferred to miscellaneous expenditure under appropriate ministries; for 1961-62 these figures are shown against item XVII. (g) Comprise irrigation and multi-purpose river schemes received under P.L. 480. (h) Include certain grants to States; for 1961-62 these grants are shown against item XVII. (i) Comprise irrigation and multi-purpose river schemes, ports and pilotage, light houses and lighthouses, scientific departments, education, medical, public health, agriculture, rural development, veterinary, co-operation, industries and supplies, aviation, broadcasting, civil works, post-war reconstruction and electricity schemes, community development projects, national extension service, labour and employment and miscellaneous departments. (j) Include grants-in-aid to States; all grants to States are grouped together in this item for 1961-62 and excludes States' share of Union excise duties. (k) Comprises famine, stationary and printing, Civil defence and pre-partition payments.

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STATEMENT 58 REVENUE FROM UNION EXCISE DUTIES

Commodity	(Lakhs of Rupees)							
	1950-51 (Accounts)	1955-56 (Accounts)	1956-57 (Accounts)	1957-58 (Accounts)	1958-59 (Accounts)	1959-60(a) (Accounts)	1960-61 (Revised)	1961-62(b) (Budget)
	1	2	3	4	5	6	7	8
Basic Duties on :								
Motor Spirit	2.08	23.05	25.23	30.85	32.52	35.40	38.75	39.10
Kerosene	28	2.43	3.29	3.06	4.15	6.81	7.65	11.34
Sugar	6.46	18.58	20.88	42.75	52.27	50.00	45.40	46.20
Matches	8.07	10.08	10.05	15.08	19.21	17.96	17.80	18.03
Steel Ingots	54	69	64	6.25	7.29	10.34	12.20	12.50
Tyres and Tubes	4.04	5.53	6.15	3.87	7.16	10.44	12.50	13.50
Tobacco	31.99	36.46	38.43	45.49	49.09	50.89	48.10	51.94
Vegetable Products	2.19	3.82	4.35	3.92	3.86	5.49	5.00	6.05
Coffee	1.17	93	1.20	1.32	1.34	1.46	1.35	1.73
Tea	3.36	3.17	3.19	3.86	4.71	7.74	7.65	9.63
Cotton Cloth	9.26	28.18	51.86	64.60	57.40	46.75	37.85	42.92
Artificial Silk		2.18	1.03	1.69	1.96	2.07	1.89	2.15
Cement		2.22	2.55	11.17	13.91	16.76	17.50	17.50
Footwear		84	99	97	1.05	1.16	1.50	1.60
Soap		1.55	1.85	1.76	2.23	2.10	2.05	2.10
Woollen Fabrics		53	61	61	86	75	62	70
Electric Fans		27	32	46	53	72	1.10	1.10
Electric Bulbs		25	28	30	33	40	70	70
Electric Batteries		73	89	80	98	1.16	1.70	1.70
Paper		2.68	3.27	5.39	6.78	7.97	8.25	11.17
Paints and Varnishes		1.01	1.17	1.20	1.27	1.37	1.40	1.70
Vegetable Non-essential Oils		29	5.30	9.80	10.02	13.35	12.25	12.50
Refined Diesel Oils and Vapourising Oils		16	2.53	7.01	9.60	24.50	38.00	41.33

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C	Industrial Fuel Oils	47	3,03	3,24	4,77	11,91	9,50	10,50
	Rayon and Synthetic fibre. and yarn							
	Motor Cars	..	..		7	29	86	2,02	2,70	4,39
	Coal Cess	..	..		5	32	20	63	9,50	10,00
	Cess on Copra	..	..	1,62	2,18	2,68	3,25	3,16	3,75	5,43
	Cess on Oils and Oilseeds	..	..			12	13	10	10	10
	Soda Ash	..	..		15	91	41	54	25	25
	Caustic Soda	..	..							19
	Coal Tar Dyes	..	..							28
	Cosmetics and Toilet preparations.	..	..							67
	Patent or Proprietary medicines	..	..							40
	Plastics	..	..							20
	Cotton Twist, Yarn and Thread	..	..							40
	Woollen Yarn	..	..							5,20
	Glass and Glassware	..	..							35
	China and Porcelainware	..	..							95
	Copper and Copper alloys	..	..							65
	Air Conditioning Machinery	..	..							72
	Wireless receiving sets	..	..							35
	Refrigerators and parts thereof	..	..							28
	Miscellaneous	..	..	44	1,21	4,74	1,73	5,12	11,78	12,00(c)
	Total Gross Revenue	..	..	71,50	192,75	274,51	299,87	339,07	358,79	400,69
	Less : Refunds and Drawbacks	..	..	-3,96	-2,32	-3,50	-3,05	-6,74	-4,50	-4,50
	Total Net Revenue	..	..	67,54	190,43	271,01	296,82	332,33	354,29	396,19
	Additional Duties on :									
	Sugar	..	..			..	6,79	8,25	12,90	12,90
	Textiles	..	..			..	5,22	14,89	19,96	20,22(d)
	Tobacco	..	..			..	4,11	5,18	7,83	7,83
	Total—Additional Duties	..	..			2,61	16,12	28,32	40,69	40,95
	Grand Total—Union Excise Duties..	..	..	67,54	190,43	273,62	312,94	360,65	394,98	437,14
	Less : States' share of Excise Duties	..	..					
	Net Receipts	..	..	67,54	172,21	233,40	239,95	285,95	319,88	358,51

(a) Figures have yet to be reconciled. (b) Including the effect of budget proposals ; subsequent concessions have not been taken into account. (c) Includes new levies on glycerine, cellophane and zinc. (d) Yields from additional duties on cotton, silk, woollen and rayon and artificial fabrics have been included.

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Currency, Mint and Security Printing Press	3.26	8.76	- 0.25	0.44	3.23	77.50(J)	3.65	7.33	8.22
Others (k)	15.01	3.67	19.87	24.65	21.00	34.81	78.75	75.54	76.20
Total Non-Developmental ..	13.63	- 8.58	41.62	85.18	26.41	148.28	142.91	172.05	140.41
Developmental :									
Railways ..	25.41	67.52	107.38	151.90	125.82	74.69	120.81	123.62	160.00
Posts and Telegraphs ..	7.07	9.03	9.59	10.83	10.70	8.09	15.45	12.05	12.59
Civil Aviation ..	1.82	1.95	2.47	2.55	3.31	3.78	4.61	4.59	4.36
Irrigation and Multi-purpose River Schemes	2.56	2.98	2.53	3.42	3.27	4.32	2.96	1.40	3.72
Civil Works ..	9.11	24.55	23.34	18.02	19.90	20.53	29.59	41.05	52.17
Industrial Development ..	8.90	11.07	66.34	147.57	187.19	58.60	94.71	98.70	107.15
Other Heads (l) ..	2.53	18.84	21.24	14.10	15.26	21.32	33.37	39.14	48.48
Total Developmental ..	57.40	135.94	232.89	348.39	365.45	191.33	301.50	320.55	398.47
Total Capital Outlay ..	71.03	127.36	274.51	433.57	401.86	339.61	444.41	492.60	528.88
Discharge of Permanent Debt :									
Internal ..	41.74	69.04	79.96	67.39	21.13	116.98	108.70	108.60	137.00
External ..	4.11	3.22	3.21	7.21	7.46	9.48	27.70	17.55	26.88
Discharge of Special Floating Debt ..	—	—	—	4.80	3.37	3.42	3.43	3.43	3.43
Inter-State Debt Settlement ..	—	0.68	0.16	1.45	—	0.12	—	—	1.79
Advances to States ..	61.46	241.24	202.03	283.60	293.90	294.98	331.85	334.86	395.48
Advances to States from Special Development Fund ..	—	5.47	7.50	—	—	—	15.72	21.21	13.74
Other Loans and Advances (e) ..	4.25	23.91	49.41	45.05	85.48	193.65	151.56	131.24	136.94
Total Disbursements ..	182.59	470.92	616.78	843.07	813.20	958.24	1083.37	1109.49	1244.14
Surplus (+) or Deficit (-) ..	- 78.14	- 189.97	- 314.03	- 545.45	- 222.67	- 200.32	- 92.94	- 0.26	- 63.82

Note : (1) Figures of receipts and disbursements will not tally with those in the budget papers as certain adjustments have been made here ; accounts are provisional. (2) Receipts and disbursements for 1957-58, 1958-59, 1959-60, 1960-61 (B.E.), 1960-61 (R.E.) and 1961-62 (B.E.) include a formal adjusting item amounting, respectively, to Rs. 12 crores, Rs. 16 crores, Rs. 35 crores, Rs. 74 crores, Rs. 76 crores and Rs. 75 crores in respect of loan assistance from the U.S. Government which is transferred to the Special Development Fund by debit to capital. (3) Treasury bill receipts and miscellaneous items such as remittances etc. have been excluded from this statement.

(a) Excluding 15-year Annuity Certificates which are included under small savings. (b) Excludes the conversion of *Ad hoc* Treasury bills of Rs. 300 crores into 4 per cent Loan, 1973 which was taken over by the Reserve Bank in July 1958, and is not intended to be placed on the market, but includes sale of Treasury bills to the public of Rs. 25.5 crores. (c) Excludes the conversion of *Ad hoc* Treasury bills of Rs. 150 crores into 3½ per cent Bonds, 1969, 3½ per cent Bonds, 1962, 3½ per cent National Plan Bonds (Second Series) 1965, 3½ per cent National Plan Bonds (Third Series) 1967 and 3½ per cent Loan, 1968. (d) Excludes the conversion of *Ad hoc* Treasury bills of Rs. 50 crores into 3½ per cent National Plan Bonds (Third Series) 1967, 3½ per cent National Plan Bonds (Fifth Series) 1968 and 3½ per cent Bonds, 1969. (e) Figures are net. (f) Introduced from April 1, 1960. (g) Receipts comprise of the sale proceeds of American (Loan) Wheat, wheat received under Colombo Plan, assistance under Indo-U.S. Technical Assistance Agreement and other aid. (h) Residual item. (i) Mostly sold to the Reserve Bank of India. (j) Excludes an amount of Rs. 17.9 crores, representing *Ad hoc* Treasury bills issued to the Reserve Bank for purchase of gold for part payment of India's increased subscription to the International Monetary Fund. (k) Includes transfer of sale proceeds of American (Loan) Wheat, Contingency Fund and payments to displaced persons. (l) Includes Grants to States for development purposes, Ports, etc.

STATEMENT 60

BUDGETARY POSITION OF INDIVIDUAL STATE GOVERNMENTS

(On Revenue Account)

(Lakhs of Rupees)

States	REVENUE					EXPENDITURE					
	Tax Revenue					Non-Tax Revenue (d)	Total Revenue	Non-Deve- lopment (e)(g)	Social and Develop- ment Services (f)(g)	Total Expendi- ture	Surplus (+) or Deficit(-)
	Taxes on Income(a)	Taxes on Property and Capital Transac- tions(b)	Taxes on Commodi- ties and Services (c)	Total Tax Revenue							
	1	2	3	4	5							6	7	8	9	10
Andhra Pradesh											
1959-60 (Accounts)	..	6.45	31.85	53.96	26.47	80.43	22.18	50.94	73.12	+ 7.31	
1960-61 (Revised)	..	7.08	34.00	54.02	31.92	85.94	25.06	59.20	84.26	+ 1.68	
1961-62 (Budget)	..	6.57	33.63	54.40	29.04	83.44	25.74	60.20	85.94	- 2.50	
Assam (h)											
1959-60 (Accounts)	..	4.62	10.15	17.91	16.12	34.03	11.76	20.08	31.84	+ 2.19	
1960-61 (Revised)	..	4.50	10.26	18.09	19.03	37.12	14.42	22.96	37.38	- .76	
1961-62 (Budget)	..	4.43	10.39	18.42	17.47	35.89	12.43	23.61	36.04	- .15	
Bihar											
1959-60 (Accounts)	..	8.14	24.70	44.94	22.53	67.47	29.90	38.08	67.98	- .51	
1960-61 (Revised)	..	8.85	25.20	47.60	35.03	82.63	28.93	45.73	74.66	+ 7.97	
1961-62 (Budget)	..	8.24	24.90	46.50	36.90	83.40	29.31	48.70	78.01	+ 5.39	
Gujarat (i)											
1959-61 (Revised)	..	8.60	22.23	37.52	13.70	51.22	23.10	27.99	51.09	+ .13	
1961-62 (Budget)	..	8.79	23.31	39.28	14.24	53.52	25.86	31.52	57.38	- 3.86	
Jammu & Kashmir											
1959-60 (Accounts)	..	94	1.72	3.56	8.98	12.54	4.09	6.67	10.76	+ 1.78	
1960-61 (Revised)	..	98	2.03	3.90	12.40	16.30	4.58	7.82	12.40	+ 3.90	
1961-62 (Budget)	..	91	2.07	3.90	12.44	16.34	4.68	8.29	12.97	+ 3.37	
Kerala											
1959-60 (Accounts)	..	4.99	14.74	22.87	14.25	37.12	12.06	27.80	39.86	- 2.74	
1960-61 (Revised)	..	5.37	16.36	25.17	19.70	44.87	12.69	33.52	46.21	- 1.34	
1961-62 (Budget)	..	5.21	17.26	26.67	18.91	45.58	13.59	38.75	52.34	- 6.76	
Madhya Pradesh (j)											
1959-60 (Accounts)	..	5.38	11.63	36.01	24.06	60.07	23.56	32.48	56.04	+ 4.03	
1960-61 (Revised)	..	5.90	11.56	38.23	29.86	68.09	25.25	38.73	63.98	+ 4.11	
1961-62 (Budget)	..	5.47	11.77	37.99	31.93	69.92	28.69	47.70	76.39	- 6.47	

REPORT ON CURRENCY AND FINANCE, 1960-61

[illegible]

Note : Figures given here would differ from those in the budget papers as certain adjustments have been made to ensure uniformity in presentation. Budget estimates for 1961-62 are before tax changes except in the case of Orissa and Rajasthan.

(a) Include States' share of income-tax, agricultural income-tax and profession tax. (b) Cover estate duty, land revenue, urban immovable property tax, stamps and registration and forward contracts tax in the case of Punjab. (c) Comprise excise duties, sales taxes, entertainment tax, electricity duties, motor vehicles taxes, taxes on railway fares upto 1960-61 (R. E.) and other taxes and duties. (d) Includes administrative receipts, net contribution of public enterprises, grants-in-aid and other contributions from the Centre etc; the figures for 1961-62 include grants in lieu of tax on Railway passenger fares. (e) Covers collection of taxes, duties and other principal revenues, debt services, civil administration, miscellaneous, famine and other non-development expenditure. (f) Includes education, medical and public health, agriculture, veterinary and co-operation, irrigation, electricity schemes, rural and community development projects, civil works, industries and supplies and other development expenditure. (g) The classification of development and non-development expenditure has been done on the basis of broad budget heads. (h) Exclude amounts transferred from/to the Contingency Fund. (i) The figures for 1960-61 (R. E.) relate to eleven months from May 1960 to March 1961. (j) Exclude transfers from/to the Revenue Reserve Fund. (k) The figures for 1959-60 relate to the Composite State of Bombay. The figures for 1960-61 (R. E.) include those for Gujarat for April 1960.

STATEMENT 61

REVENUE AND EXPENDITURE OF STATES

(ON REVENUE ACCOUNT)

(Lakhs of Rupees)

	1951-52 (Acc- ounts)	1955-56 (Revi- sed)	1956-57 (Budget)	1957-58 (Acc- ounts)	1958-59 (Acc- ounts)	1959-60 (Acc- ounts)	1960-61 (Budget) (Revi- sed)		1961-62 (Budget)
REVENUE									
TAX REVENUE									
Taxes on Income	..	61.12	59.33	81.40	84.55	88.80	68.77	98.88	91.63
Share of Income-tax	..	52.65	53.51	73.36	75.80	79.50	60.28	90.05	82.61
Agricultural Income-tax	..	4.33	5.73	7.80	8.42	8.92	8.18	8.48	8.67
Profession Tax	9	24	33	38	31	35	35
Taxes on Property and Capital Transactions	..	112.39	126.88	125.40	132.14	141.00	143.46	143.91	151.28
Estate Duty	..	1.94	2.38	2.40	2.38	2.77	2.84	2.99	3.03
Land Revenue	..	47.99	92.66	87.72	91.85	95.15	100.31	97.98	103.15
Stamps and Registration	..	25.56	28.11	33.09	35.33	40.69	37.86	41.05	44.16
Urban Immovable Property Tax	..	1.85	2.01	2.19	2.38	2.39	2.45	1.89	94
Taxes on Commodities and Services	..	148.60	176.02	265.18	320.37	347.62	342.36	363.11	368.65
Union Excise	..	70	17.04	40.21	73.02	74.71	75.10	75.27	77.29
State Excise	..	49.41	42.76	46.02	46.94	49.60	46.86	49.59	52.40
General Sales Tax	..	54.40	70.66	107.37	111.68	124.37	118.62	133.91	140.30
Sales Tax on Motor Spirit	..	4.53	8.73	9.85	12.19	12.46	14.33	15.08	15.89
Motor Vehicles Taxes	..	10.09	14.39	21.13	24.46	26.38	26.95	29.78	30.83
Tax on Railway Fares	4.81	10.88	13.06	12.71	13.75	@
Entertainment Tax	..	6.39	6.50	8.56	10.65	11.32	10.90	11.55	12.29
Electricity Duties	..	3.39	5.63	7.15	10.51	11.97	10.84	11.51	12.29
Other Taxes and Duties (a)	..	19.69	12.83	20.08	20.04	23.75	26.05	22.67	27.36
Total Tax Revenue	..	281.05	349.53	471.98	537.06	577.42	554.59	605.90	611.56
NON-TAX REVENUE									
Administrative Receipts (b)	..	38.13	60.44	82.02	104.49	122.66	144.40	142.83	82.81
Net Contribution of Public Enterprises (c)	..	24.92	34.88	42.93	39.69	43.55	46.36	46.74	54.43
Forests	..	12.61	11.99	24.12	26.37	29.97	25.15	28.76	28.61
Irrigation (d)	..	8.03	8.51	7.54	6.05	6.76	11.70	10.33	13.33
Electricity Schemes	..	3.41	5.96	6.40	3.61	1.86	2.89	2.87	3.80
Road and Water Transport	..	77	2.03	4.84	4.59	4.86	5.59	5.32	7.52
Industries and Others	..	10	75	3	—93	10	1.03	—54	1.17
Other Revenue (e)	..	26.94	38.66	40.44	49.54	60.18	62.31	66.11	63.74
Grants-in-aid and other Contributions	..	25.36	67.61	74.34	81.81	103.18	135.39	149.18	208.83
Total Non-Tax Revenue	..	1,15.35	196.78	239.73	275.53	329.57	388.46	404.86	409.81
Total Revenue	..	396.40	546.31	711.71	812.59	906.99	943.05	1,010.76	1,021.37

(Lakhs of Rupees)

REPORT ON CURRENCY AND FINANCE, 1960-61

EXPENDITURE

Social and Development Services (f):											
Education	60.30	105.04	119.93	130.37	147.25	170.90	177.35	194.81	219.45		
Medical and public health	29.22	48.83	54.27	51.57	57.85	67.96	82.07	82.86	92.95		
Agriculture, veterinary and co-operation	25.90	42.31	46.66	46.23	51.75	62.10	71.07	68.96	82.67		
Irrigation (g)	17.62	25.02	22.93	23.76	25.43	29.41	30.20	31.57	35.50		
Electricity schemes (g)	4.61	7.10	9.14	8.61	7.26	5.01	5.49	5.47	6.07		
Rural and Community Development Projects	82	30.51	32.97	31.70	39.06	43.36	51.93	53.56	55.54		
Civil Works	40.93	70.67	59.92	50.12	44.20	55.33	63.39	70.37	73.80		
Industries and Supplies	5.81	10.67	19.77	15.35	18.04	20.73	25.17	22.84	27.68		
Other Development Expenditure (h)	11.00	16.31	21.56	28.35	32.24	37.48	50.23	52.05	53.83		
Total Expenditure on Social and Development Services:	196.21	356.46	387.15	386.06	423.08	492.28	556.90	582.50	647.49		
Non-Development Expenditure (f):											
Collection of Taxes, Duties and other	26.94	48.50	55.81	53.36	55.91	61.69	68.05	67.67	62.76		
Principal Revenues (f)	8.49	18.84	23.08	36.99	54.51	72.19	72.64	79.12	79.84		
Debt Services (j)	106.65	124.50	128.04	139.14	145.05	153.72	157.27	163.49	173.78		
Civil Administration (k)	17.53	26.62	26.18	28.41	35.06	42.48	41.01	43.41	43.32		
Miscellaneous (l)	3.99	18.31	3.49	9.94	19.09	13.38	9.34	23.63	8.88		
Famine	32.82	31.53	30.44	29.99	32.44	34.06	34.98	37.07	41.29		
Other Non-Development Expenditure (m)	..	..	..	..	..	..	..	..	..
Total Non-Development Expenditure	196.42	268.30	267.04	297.83	342.06	377.52	383.29	414.39	409.87		
Total Expenditure	392.63	624.76	654.19	683.89	765.14	869.80	940.19	996.89	1,057.36		
Surplus (+) or Deficit (-)	+ 3.77	- 78.45	- 83.54	+ 27.82	+ 47.45	+ 37.19	+ 2.86	+ 13.87	- 35.99		

Note: Figures given here would differ from those in the budget papers as certain adjustments have been made to ensure uniformity in presentation. The figures for the year 1951-52 do not include Part C States (viz., Ajmer, Bhopal, Coorg, Delhi, Himachal Pradesh and Vindhya Pradesh) since separate revenue budgets for these States are available only from 1952-53. For 1955-56 and 1956-57 revised and budget estimates respectively are used since later figures are not available. Budget estimates for 1956-57 are before tax changes. The figures from 1957-58 onwards relate to the reorganised States which exclude Delhi and Himachal Pradesh which are now Union Territories and include Kutch which was a part of the Composite State of Bombay till 1959-60 and now a part of the Gujarat State. The figures from 1957-58 onwards include Jammu and Kashmir. Budget estimates for 1960-61 are before tax changes except in the case of Andhra Pradesh, Orissa and Rajasthan. Budget estimates for 1961-62 are before tax changes except in the case of Orissa and Rajasthan. @ For 1961-62 (Budget Estimates), receipts from tax on Railway fares have been excluded from tax-revenue and included under Grants-in-aid and other contributions. (a) Include sugar-cane cess, tax on passengers and goods, tobacco duties, tax on prize competition and betting, inter-State transit duties, tax on raw jute, etc. (b) Include receipts from civil works and receipts of the various departments such as education, medical, public health, etc., and certain grants from the Central Government; for 1961-62 these grants have been shown under 'Grants-in-aid and other contributions'. (c) The contribution of public enterprises to revenue is not as given in the budgets and does not constitute a commercial surplus. (d) Irrigation works for which capital accounts are not kept are taken on a gross basis. (e) Comprises receipts on account of debt services, stationery and printing and miscellaneous receipts; exclude transfers from reserve funds. (f) The classification of development and non-development expenditure has been done on the basis of broad budget heads. (g) Including interest on capital outlay; consequently the figures shown under debt services are under-estimates. (h) Includes expenditure on scientific and miscellaneous departments, aviation and ports and pilotage. (i) Excludes forests. (j) Include appropriation for reduction or avoidance of debt. (k) Comprises general administration, administration of justice, jails and convict settlements and police. (l) Covers expenditure on displaced persons, grants and other contributions to local bodies and private parties, irrecoverable loans and advances, advanced technical training, scholarships, etc. (m) Includes pensions, stationery and printing and extra-ordinary charges, but excludes transfers to reserve funds.

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STATEMENT 62

CAPITAL BUDGET OF STATES

	(Lakhs of Rupees)								
	1951-52	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61	1961-62	
	(Acc- ounts)	(Revi- sed)	(Bud- get)	(Acc- ounts)	(Acc- ounts)	(Acc- ounts)	(Bud- get)	(Revi- sed)	(Bud- get)
A. RECEIPTS									
Permanent Debt	11,81	78,22	84,38	25,89	70,42	80,39	89,00	96,59	78,73
Floating Debt(a)	3,75	-2,01	2,32	12,59	-3,11	-6,51	1,35	-1,99	2,00
Loans from the Centre	73,96	299,89	316,12	279,20	292,11	294,98	344,44	353,48	387,61
Other Loans(b)				6,33	17,88	16,67	14,29	11,35	20,80
Unfunded Debt(a)	2,57	6,94	8,14	8,23	5,19	11,51	12,62	13,08	14,62
Loans and Advances repaid to State Governments	24,33	28,97	35,40	53,74	40,90	49,85	55,29	57,67	67,12
Deposits and Advances and other items(a)(c)	18,57	-32,31	-19,54	14,02	18,18	35,07	9,68	15,49	42,30
Total Receipts	134,99	379,70	426,82	400,00	441,57	481,96	526,67	545,67	613,33
B. DISBURSEMENTS									
Development—									
Multipurpose River Valley Schemes	27,59	66,80	64,63	61,79	53,40	50,23	52,18	52,79	52,22
Irrigation and Navigation	24,00	71,88	84,86	61,82	52,53	65,42	90,44	87,16	84,50
Schemes of Agricultural Im- provement and Research	12	4,50	2,95	4,60	4,76	4,08	5,80	6,12	11,11
Electricity Schemes	19,94	47,92	61,25	38,33	27,14	21,24	29,50	28,15	27,41
Road Transport	1,63	2,94	3,49	2,63	2,89	3,82	3,35	5,12	3,31
Buildings, Roads and Water Works	21,04	39,48	80,23	64,03	76,46	86,64	106,96	114,42	120,04
Industrial Development	5,81	7,84	17,13	12,29	14,65	15,58	17,50	20,41	33,12
Others	16	1,37	1,38	78	1,16	1,63	2,53	1,91	2,20
Total Development	100,29	242,73	315,92	246,27	232,99	248,64	308,26	316,08	334,22
Non-Development—									
State Trading(a)	25,09	-14,48	-4,66	15,85	-38	15,55	1,40	3,68	1,10
Compensation to Landholders on the abolition of Zamindari	2,03	3,32	6,17	4,46	6,38	7,97	12,92	13,75	16,61
Other Financial Transactions	16	-2	29	1	20	29	15	6	
Total Non-Development	27,28	11,18	1,80	20,32	6,20	23,81	14,47	17,49	17,71
Total Capital Outlay (d)	127,57	231,56	317,72	266,59	239,19	272,45	322,73	333,57	351,93
Discharge of Permanent Debt	1,01	7,84	8,20	7,18	12,49	5,66	21,99	19,26	21,30
Repayment of Loans to the Centre	11,37	22,96	28,63	61,39	65,28	89,40	81,13	108,18	97,50
Repayment of other Loans(b) Loans and Advances by State Governments	48,77	107,39	99,51	96,90	117,71	137,32	152,11	182,84	170,10
Total Disbursements	188,72	369,75	454,06	432,13	434,90	507,40	582,58	646,71	643,22
C. Surplus (+) or Deficit (-) on Capital Account (A—B)	-53,73	+9,95	-27,24	-32,13	+6,67	-25,44	-55,91	-101,04	-29,99

Note:—Figures given here would differ from those in the budget papers as certain adjustments have been made to ensure uniformity in presentation. The figures for 1951-52 do not include Part C States (namely Ajmer, Bhopal, Coorg, Delhi, Himachal Pradesh and Vindhya Pradesh) since they had capital budgets only from 1954-55. For 1955-56 and 1956-57 revised and budget estimates are used since later figures are not available. The figures from 1957-58 onwards relate to the reorganised States which exclude Delhi and Himachal Pradesh which are now Union Territories and include Kutch which was a part of the Composite State of Bombay till 1959-60 and now a part of Gujarat State. The figures from 1957-58 also include Jammu and Kashmir. Figures for 1960-61, budget and revised, exclude Rs. 68·87 crores and Rs. 66·92 crores, respectively, in the case of Uttar Pradesh Government representing the value of assets of electricity schemes transferred to State Electricity Board; this item has been treated in the budget papers as a loan to the State Electricity Board and shown as recovery of capital expenditure on electricity schemes.

(a) Figures are net. (b) This is a new item opened from 1957-58 to show Loans from National Agricultural Credit (Long-term Operations) Fund of the Reserve Bank of India, Loans from National Co-operation Department and Warehousing Board, Loans from Khadi and Village Industries Board, Employees' State Insurance Corporation, etc. (c) Excluding sale or purchase of securities but including Contingency Fund transactions (net); also including, in the case of Assam, transfers from the Contingency Fund included under revenue account of that State. (d) Excludes appropriations to Contingency Fund and other funds which are adjusted under the item 'Deposits and Advances and other items.'

REPORT ON CURRENCY AND FINANCE, 1960-61

STATEMENT 63

RAILWAY FINANCES

(Crores of Rupees)

	1950-51 (Acco- unts)	1955-56 (Acco- unts)	1956-57 (Acco- unts)	1957-58 (Acco- unts)	1958-59 (Acco- unts)	1959-60 (Acco- unts)	1960-61		1961-62
							(Budget)	(Revised)	(Budget)
I. Capital-at-Charge	827.04	968.98	1,071.71	1,222.44	1,356.59	1,432.28	1,563.29	1,559.37	1,740.19
II. Gross Traffic Receipts	263.01	316.29	347.57	379.78	390.21	422.34	464.50	458.00	499.02
(a) Passenger	97.84	107.71	116.33	119.10	116.74	125.61	125.50	130.97	145.51
(b) Other Coaching	16.64	20.87	21.09	24.23	23.59	25.41	25.00	27.11	27.11
(c) Goods	143.01	180.28	203.96	229.67	240.82	260.50	305.00	289.59	316.00
(d) Other Earnings*	5.52	7.43	6.19	6.78	9.06	10.82	9.00	10.33	10.40
III. Total Expenses (1 + 2 + 3 + 4)	215.45	265.95	289.19	321.99	330.89	347.78	388.80	387.31	412.54
1. Ordinary Working Ex- penses	180.23	212.95	233.94	264.17	276.33	289.53	326.90	326.31	332.53
(a) Administrative	23.36	31.52	34.74	32.17	34.30	34.87	39.01	38.94	38.69
(b) Repairs and Main- tenance	57.11	78.67	86.00	90.62	91.59	94.14	106.32	104.26	107.38
(c) Operating Staff	35.41	49.73	52.80	53.82	57.14	57.91	66.22	66.48	66.44
(d) Operation (Fuel)	30.72	23.58	27.28	48.03	52.47	57.98	59.65	62.82	64.41
(e) Operation (Other than Staff and Fuel)	13.35	10.19	10.65	14.86	15.65	17.71	18.42	18.92	20.76
(f) Miscellaneous	19.39	14.97	16.47	18.29	19.14	19.98	27.06	25.67	24.08
(g) Labour Welfare	3.19	5.03	5.83	6.96	7.94	8.36	10.80	10.64	11.38
(h) Suspense	-2.30	-0.74	0.17	0.58	1.90	-1.42	-0.58	-1.42	-0.61
2. Depreciation	30.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	65.00
3. Payments to Worked Lines	0.25	0.26	0.33	0.26	0.11	0.10	0.08	0.09	0.13
4. Miscellaneous Expenses	4.97	7.74	9.92	12.56	9.45	13.15	16.82	15.91	14.88
(a) Open Line Works	3.93	5.97	8.05	10.42	10.76	11.82	14.00	14.83	12.00
(b) Others (net)	1.04	1.77	1.87	2.14	1.31	1.33	2.82	1.08	2.88
IV. Net Revenue (II-III)	47.56	50.34	58.38	57.78	59.32	74.56	75.70	70.69	86.48
V. Dividend to General Revenues	32.51	36.12	38.16	44.40	50.39	54.43	57.27	56.66	77.84†
VI. Surplus (IV-V)	15.05	14.22	20.22	13.38	8.93	20.13	18.43	14.03	8.64
VII. Appropriation to :-									
(a) Development Fund	10.00	7.08	20.22	13.38	8.93	20.13	18.43	14.03	8.64
(b) Revenue Reserve Fund	5.05	7.14	—	—	—	—	—	—	—

*Include Suspense. † Includes Rs. 12.50 crores representing payment to General Revenues in lieu of tax on Railway passenger fares.

STATEMENT 64

INTEREST-BEARING OBLIGATIONS AND INTEREST-YIELDING ASSETS OF
THE GOVERNMENT OF INDIA

(Crores of Rupees)

	Outstanding at the end of							
	1950-51 (Revised)	1955-56 (Revised)	1956-57 (Revised)	1957-58 (Revised)	1958-59 (Revised)	1959-60 (Revised)	1960-61 (Revised)	1961-62 (Budget)
I. Interest-Bearing Obligations								
<i>In India</i>								
1 Loans	1,438.46	1,509.61	1,588.45	1,701.25	2,183.80	2,442.11	2,572.21	2,669.3
2 Treasury Bills, Ways and Means Advances and Treasury Deposit .. receipts	373.20	711.87	865.25	1,215.70	1,275.12	1,283.32	1,262.60	1,387.6
3 Small Savings	326.25	574.41	638.20	692.95	776.62	862.28	966.15	1,070.1
4 Depreciation and Reserve Funds ..	155.56	186.76	215.41	166.68	113.61	101.21	87.28	96.1
5 Investment of U.S. Government Counterpart Deposit Funds	—	—	—	—	—	—	240.00	336.0
6 Others	207.26	188.17	206.79	228.08	243.74	269.02	326.79	366.2
7 Total	2,500.73	3,170.82	3,514.10	4,004.66	4,592.89	4,957.94	5,455.03	5,925.4
<i>In England</i>								
8 Loans	1.35	0.59	0.56	0.55	22.12	76.63	107.17	107.4
9 Others	34.82	22.61	21.69	21.77	8.67	13.33	15.33	13.3
10 Total	36.17	23.20	22.25	22.32	30.79	89.96	122.50	120.7
11 Dollar Loans	24.60	117.57	132.95	159.85	262.31	374.68	521.40	709.7
12 Loans from U.S.S.R.	—	—	6.83	15.30	40.89	55.67	61.53	88.3
13 Loans from West Germany	—	—	—	14.00	35.71	80.64	108.17	108.2
14 Loans from other foreign Sources ..	—	—	—	—	1.00	8.75	11.97	157.6
15 Total Interest-Bearing Obligations.	2,561.50	3,311.59	3,676.13	4,216.13	4,963.59	5,567.64	6,280.60	7,110.1
II. Interest-Yielding Assets								
16 Capital advanced to Railways ..	814.13	973.66	1,072.79	1,215.70	1,343.31	1,441.62	1,555.90	1,715.9
17 Capital advanced to other Com- mercial Departments (including D.V.C.)	90.11	112.08	150.19	164.88	186.49	206.48	219.69	243.7
18 Investment in Commercial Con- cerns	—	56.02	136.04	274.39	416.71	460.14	473.35	545.7
19 Capital advanced to States and other Interest-Bearing Loans	216.97	959.13	1,187.30	1,384.51	1,731.81	2,106.44	2,521.28	2,901.7
20 Debt due from Pakistan.	348.15 (a)	300.00	300.00	300.00	300.00	300.00	300.00	300.0
21 Deposits with the U.K. Government for redemption of Railway Annuities	10.96	1.99	1.07	0.48	—	—	—	—
22 Purchase of Annuities for Sterling Pensions	200.89	65.41	59.50	55.91	20.64	20.03	19.43	18.8
23 Total Interest-Yielding Assets ..	1,681.21	2,468.29	2,906.89	3,395.87	3,998.96	4,534.71	5,089.65	5,725.9
24 Cash and Securities held on Treasury Account	141.97	50.33	50.41	50.75	57.61	55.93	54.01	52.5
25 Balance of total Interest-Bearing Obligations not covered by above Assets	738.32	792.97	718.83	769.51	907.02	977.00	1,116.41	1,311.3

Note: The outstandings at the end of each year are shown in the Statement. The accounts for the year 1947-48 (pre-partition) and 1959-60 have not yet been closed finally and the figures have, therefore, been worked out on the best information available. Under unfunded debt, deposits and interest-yielding assets, allowance has been made on a rough basis for the share allocable to Pakistan.

As a result of the transfer of the payment of Sterling pensions to the U.K. Government with effect from April 1, 1955 the figure against "purchase of annuities for Sterling pensions" represents only the amount recoverable from the U.K. Government and the State Governments in India.

The whole of the uncovered debt cannot be called unproductive, for the large grants to States for development in recent years which increase the productive capacity of the country as a whole are not entirely unremunerative, and similarly, the large capital outlay on Central property, the value of which is either not shown at all in the Governments' accounts or is shown as non-commercial (such as capital outlay on New Delhi and defence capital outlay) is not without value.

(a) Includes debt due from Burma.

STATEMENT 65

DEBT POSITION OF THE GOVERNMENT OF INDIA

End of March	Rupee Loans (a)	Per- centage to Total	Treasury Bills	Per- centage to Total	Small Savings (b)	Per- centage to Total	Other Obliga- tions (c)	Per- centage to Total	Total	Per- centage increase (-) or decrease (+) over the previous year	External Debt	
											Total	Of which Dollar Loans
1951	.. 1,438.46	58.2	364.72(d)	14.8	326.25	13.2	342.81	13.9	2,472.24	- 2.3	49.81	24.60
1956	.. 1,508.67	49.2	595.25	19.4	572.96	18.7	390.29	12.7	3,067.17	+ 7.8	138.81	117.57
1957	.. 1,633.61	46.6	835.70	23.8	631.95	18.0	406.55	11.6	3,507.81	- 14.4	160.98	132.95
1958	.. 1,699.50	41.3	1,295.12	31.5	700.68	17.0	422.37	10.3	4,117.67	+ 17.4	211.02	159.85
1959	.. 2,180.96(e)	47.2	1,225.32	26.5	780.01	16.9	437.21	9.5	4,623.50	+ 12.3	391.35	262.31
1960	.. 2,438.23(e)(f)	47.5	1,297.60	25.3	862.24	16.8	530.99	10.4	5,129.06	+ 10.9	630.50	374.68
1961	.. 2,571.33 (e)(f)(g)	47.1	1,106.30	20.3	959.40	17.6	825.77(h)	15.1	5,462.80	+ 6.5	846.22	521.40

Note :—Figures are provisional, excepting those of Rupee Loans and Treasury Bills.

(a) Figures from end-March 1957 include Hyderabad State Loans, the liability of which was taken over by the Central Government under Section 82(1) of the States Reorganisation Act, 1956; the figure for 1961 includes those of prize bonds issued from April 1, 1960. (b) Inclusive of Indian Union's share of pre-partition liabilities. (c) Including (1) unclaimed balances of old loans which have ceased to bear interest from the date of discharge, (2) balances of special loans, (3) balances of State Provident Funds and other accounts such as General Family Pension Fund, the Hindu Family Annuity Fund, the Postal Insurance and Life Annuity Fund etc. and (4) unclaimed balances in respect of Three-Year Interest-Free Defence Bonds and Five-year Interest Free Prize Bonds; these were issued from June 1940 and January 1944, respectively, and discontinued from May 1946 and January 1949, respectively. (d) Including Treasury Deposit Receipts. (e) Include a special issue of the 4% Loan, 1973 for Rs. 300 crores created in July 1958 which was wholly taken up by the Reserve Bank of India against cancellation of *ad hoc* Treasury Bills and held in the Issue Department as cover against note issue. (f) Include further issues of Rs. 150 crores created in December 1959 against cancellation of *ad hoc* Treasury Bills held by the Reserve Bank of India. (g) Include further issues of Rs. 50 crores created in January 1961 against cancellation of *ad hoc* Treasury Bills held by the Reserve Bank of India. (h) Includes investment of Rs. 240 crores (estimated) of U.S. Government Counterpart Deposit Funds in 'Special Securities'.

STATEMENT 66

MATURITY PATTERN OF THE GOVERNMENT OF INDIA RUPEE LOANS (a)

(Crores of Rupees)

End of March	Undated	Percentage to Total	Over 10 years	Percentage to Total	Between 5 and 10 years	Percentage to Total	Under 5 Years	Percentage to Total	Total (b)
1951	257.85	17.9	519.33	36.1	342.51	23.8	318.77	22.2	1,438.46
1956	257.85	17.1	241.17	16.0	616.52	40.9	393.13	26.1	1,508.67
1957(c)	257.85	15.8	245.83	15.0	665.43	40.7	464.50	28.4	1,633.61
1958(c)	257.85	15.2	259.08	15.2	625.22	36.8	557.35	32.8	1,699.50
1959(c)	257.85	11.8	606.41	27.8	596.84	27.4	719.87	33.0	2,180.96
1960(c)	257.85	10.6	707.48	29.0	662.38	27.2	810.53	33.2	2,438.23
1961(c)	257.85	10.0	691.67	26.9	755.19	29.4	866.62(d)	33.7	2,571.33(d)

(a) Where loans bear two dates of maturity, the earlier date has been taken for purposes of classification : for loans not redeemed on the earlier date, later date has been taken. (b) Figures are actuals as available with the Reserve Bank of India and differ from those in Statement 64 which are revised estimates for all years. (c) Includes Hyderabad State loans, the liability for which was taken over by Central Government on October 31, 1956 under Section 82(1) of the States Reorganisation Act : the total outstanding of Hyderabad loans at the end of March 1957, March 1958 and March 1959 was Rs. 46.52 crores. Rs. 38.98 crores at the end of March 1960 and Rs. 34.74 crores at the end of March 1961. (d) Including Prize Bonds issued from April 1960.

STATEMENT 67

DEBT POSITION OF STATES

(Lakhs of Rupees)

	At the End of					1960-61 R.E.(c)
	1951-52	1955-56 R.E.	1956-57	1957-58	1958-59	
I. Public Debt—						
(i) Permanent Debt	133.71	264.48	273.95	283.43	341.29	490.65
(ii) Floating Debt	15.66	8.20	19.88	26.62	27.19	27.27
(iii) Loans from Central Government	238.54	876.07	1,094.91	1,354.95	1,581.79	1,966.55
(iv) Other Debt(a)	—	—	2.20	9.23	26.94	47.52(b)
II. Unfunded Debt	57.37	83.19	94.09	105.43	109.42	132.26(d)
III. Gross Total Debt	445.28	1,231.94	1,485.03	1,779.65	2,086.63	2,664.25

Note:—The figures in this Statement are based on actual returns furnished by the States except in certain cases where they are based on the Budget papers. The data for 1951-52 and 1955-56 exclude Part C States which had a separate capital account only from 1954-55. Figures from 1956-57 onwards relate to reorganised States and include Jammu & Kashmir from 1957-58. (a) This item shows loans from National Agricultural Credit (Long-Term Operations) Fund of the Reserve Bank of India, loans from National Co-operative Development and Warehousing Board, loans from Khadi and Village Industries Board, Employees' State Insurance Corporation etc. (b) In the case of Mysore, includes the amount of —Rs. 66 lakhs on account of Inter-State Debt Settlement. (c) Include figures of Orissa as at the end of February 1961. (d) Provisional.

REPORT ON CURRENCY AND FINANCE, 1960-61

STATEMENT 68

GOVERNMENT OF INDIA TREASURY BILLS (ANNUAL AND MONTHLY)

(Lakhs of Rupees)

Period		Amount offered for tender	Amount tendered	Amount sold	Sales of Intermediate Treasury Bills	Total sales (3+4)	Average rate of discount for auction sales (per cent per annum)	Amount sold in favour of the Reserve Bank of India (b)	Amount outstanding at the end of the period (c)(d)
		1	2	3	4	5	6	7	8
1950-51	.. ..							1,394.35	358.02
1955-56	.. ..	55.50	86.25	55.50		55.50	2.52	1,994.09	595.25
1956-57	.. ..	1.00(a)	1.03(a)	1.00(a)		1.00(a)	2.53(a)	2,737.58	835.70
1957-58	.. ..	—	—	—		—		4,236.65	1,295.12
1958-59	.. ..	81.00	122.06	81.00	5.79	86.79	2.52	4,644.56	1,225.32
1959-60	.. ..	102.00	122.40	102.00	37.25	139.25	2.59	5,011.87	1,297.60
1960-61	.. ..	100.00	108.74	100.00	15.72	115.72	2.65	4,532.92	1,106.30
April	1960 ..	10.00	10.79	10.00	2.01	12.01	2.77	686.24	1,262.08
May	.. ..	8.00	9.12	8.00	1.30	9.30	2.75	277.72	1,293.56
June	.. ..	8.00	8.27	8.00	5.34	13.34	2.75	277.27	1,275.88
July	.. ..	8.00	8.02	8.00	—	8.00	2.75	617.42	1,181.52
August	.. ..	8.00	8.26	8.00	1.52	9.52	2.64	253.29	1,149.49
September	.. ..	6.00	6.50	6.00	15	6.15	2.54	244.83	1,122.01
October	.. ..	10.00	11.90	10.00	8	10.08	2.56	622.24	1,141.11
November	.. ..	8.00	9.28	8.00	1.45	9.45	2.57	251.98	1,144.73
December	.. ..	8.00	9.05	8.00	74	8.74	2.54	220.77	1,109.18
January	1961 ..	8.00	9.30	8.00	1.19	9.19	2.57	632.45	1,053.12
February	.. ..	8.00	8.00	8.00	1.19	9.19	2.60	148.92	1,029.34
March	.. ..	10.00	10.25	10.00	75	10.75	2.75	299.80	1,106.30

Note :— Sales of Treasury Bills to the public were suspended from December 20, 1949 to September 9, 1952, from April 20, 1954 to November 2, 1954 and from April 6, 1956 to July 28, 1958.

(a) Figures relate to the issue for one week only. (b) Including creation/renewal of *ad hoc* Treasury Bills. (c) Comprising amount outstanding on account of (i) Treasury Bills held by the public, (ii) Treasury Bills held by State Governments and other approved bodies, (iii) *ad hocs* created in 1948-49 for holding in the Bank's Issue Department to replace sterling securities transferred to the U. K. Government in terms of the Sterling Balances Agreement of July 1948 and (iv) *ad hocs* created since 1954-55 and held in the Issue Department for replenishing the Centre's Cash balances. The outstandings of *ad hocs* under (iii) and (iv) above amounted to Rs. 274.51 crores at the end of 1950-51, Rs. 487.52 crores at the end of 1955-56, Rs. 713.52 crores at the end of 1956-57, Rs. 1,189.52 crores at the end of 1957-58, Rs. 1,021.52 crores at the end of 1958-59, Rs. 1,020.41 crores at the end of 1959-60 and Rs. 886.37 crores at the end of 1960-61. (d) Excludes *ad hoc* Treasury Bills for Rs. 300 crores funded in July 1958, Rs. 150 crores funded in December 1959 and Rs. 50 crores funded in January 1961.

REPORT ON CURRENCY AND FINANCE, 1960-61

STATE

GOVERNMENT OF INDIA TREASURY

Week ended		SALES TO PUBLIC							Average rate of discount for auction sales (per cent per annum)	Sold in favour of the Reserve Bank of India(b)	Total amount outstanding at the end of the period(c)
		Amount offered	Amount tendered	Amount sold(a)	Sales of Intermediate Treasury Bills	Total sales (3 + 4)	Amount discharged	Amount outstanding			
		1	2	3	4	5	6	7	8	9	10
1960											
April	1 ..	2,00	2,00	2,00	—	2,00	—	28,23	2.77	56,42	1,304,93
"	8 ..	2,00	2,00	2,00	—	2,00	2,00	28,23	2.77	11,93	1,300,98
"	15 ..	2,00	2,04	2,00	—	2,00	2,00	28,23	2.77	225,77	1,305,48
"	22 ..	2,00	2,00	2,00	—	2,00	2,05	28,18	2.77	142,96	1,279,61
"	29 ..	2,00	2,75	2,00	2,01	4,01	4,01	28,18	2.77	300,26	1,262,08
May	6 ..	2,00	2,82	2,00	—	2,00	2,00	28,18	2.75	104,12	1,281,59
"	13 ..	2,00	2,00	2,00	5	2,05	2,05	28,18	2.75	65,65	1,274,53
"	20 ..	2,00	2,00	2,00	—	2,00	2,00	28,18	2.75	47,94	1,266,86
"	27 ..	2,00	2,30	2,00	1,21	3,21	2,07	29,32	2.75	40,25	1,283,35
June	3 ..	2,00	2,25	2,00	3,09	5,09	2,00	32,41	2.75	63,61	1,298,98
"	10 ..	2,00	2,00	2,00	1,60	3,60	2,00	34,01	2.75	1,56	1,290,72
"	17 ..	2,00	2,00	2,00	62	2,62	2,05	34,58	2.75	175,38	1,291,58
"	24 ..	2,00	2,02	2,00	7	2,07	2,00	34,65	2.75	8,48	1,278,97
July	1 ..	2,00	2,00	2,00	—	2,00	2,00	34,65	2.75	63,20	1,285,74
"	8 ..	2,00	2,00	2,00	—	2,00	2,00	34,65	2.75	10,65	1,284,46
"	15 ..	2,00	2,02	2,00	—	2,00	2,00	34,65	2.75	228,81	1,287,50
"	22 ..	—	—	—	—	—	2,00	32,65	—	124,19	1,196,73
"	29 ..	2,00	2,00	2,00	—	2,00	4,01	30,64	2.75	238,44	1,202,90
August	5 ..	2,00	2,26	2,00	16	2,16	2,00	30,80	2.74	101,94	1,200,88
"	12 ..	2,00	2,00	2,00	1,10	3,10	2,05	31,85	2.75	63,59	1,199,86
"	19 ..	2,00	2,00	2,00	25	2,25	2,00	32,10	2.54	22,89	1,175,07
"	26 ..	2,00	2,00	2,00	1	2,01	3,21	30,90	2.54	42,59	1,156,22
September	2 ..	—	—	—	—	—	5,09	25,81	—	36,46	1,143,98
"	9 ..	2,00	2,00	2,00	—	2,00	3,60	24,21	2.54	19,85	1,135,67
"	16 ..	2,00	2,00	2,00	10	2,10	2,62	23,69	2.54	148,74	1,133,50
"	23 ..	2,00	2,50	2,00	5	2,05	2,07	23,67	2.54	11,20	1,116,20
"	30 ..	—	—	—	—	—	2,00	21,67	—	51,00	1,122,01

(a) Represent transactions relating to the particular issue of Treasury Bills during the period. (b) Including creation/ renewals of *ad hoc* Treasury Bills. (c) Excludes *ad hoc* Treasury Bills for Rs. 300 crores funded in July 1958, Rs. 150 crores funded in December 1959 and Rs. 50 crores funded in January 1961.

REPORT ON CURRENCY AND FINANCE, 1960-61

MENT 69

BILLS (WEEKLY), 1960-61

(Lakhs of Rupees)

Week ended		SALES TO PUBLIC							Average rate of discount for auction sales (per cent per annum)	Sold in favour of the Reserve Bank of India(b)	Total amount outstanding at the end of the period(c)
		Amount offered	Amount tendered	Amount sold(a)	Sales of Intermediate Treasury Bills	Total sales (3+4)	Amount discharged	Amount outstanding			
		1	2	3	4	5	6	7				8	9	10
1960											
October	7 ..	4,00	5,15	4,00	8	4,08	2,00	23,75	2.55	9,04	1,102,48
"	14 ..	2,00	2,35	2,00	—	2,00	2,00	23,75	2.56	256,00	1,149,67
"	21 ..	2,00	2,40	1,78	—	1,78	—	25,53	2.56	119,53	1,136,79
"	28 ..	2,00	2,00	2,22	—	2,22	2,00	25,75	2.57	233,64	1,137,21
November	4 ..	2,00	2,35	2,00	26	2,26	2,16	25,85	2.57	106,28	1,146,65
"	11 ..	2,00	2,20	2,00	31	2,31	3,10	25,06	2.57	63,48	1,145,75
"	18 ..	2,00	2,24	2,00	80	2,80	2,25	25,61	2.57	16,53	1,139,94
"	25 ..	2,00	2,49	2,00	3	2,03	2,01	25,63	2.56	46,91	1,144,29
December	2 ..	2,00	2,40	2,00	70	2,70	—	28,33	2.54	34,76	1,125,29
"	9 ..	2,00	2,40	2,00	—	2,00	2,00	28,33	2.54	17,28	1,122,72
"	16 ..	2,00	2,25	2,00	9	2,09	2,10	28,32	2.55	124,54	1,118,50
"	23 ..	2,00	2,00	2,00	—	2,00	2,05	28,27	2.55	15,60	1,122,85
"	30 ..	—	—	—	—	—	2,08	26,19		51,42	1,109,18
1961											
January	6 ..	2,00	2,40	2,00	—	2,00	2,00	26,19	2.56	21,48	1,113,63
"	13 ..	2,00	2,60	2,00	—	2,00	2,00	26,19	2.58	236,16	1,113,80
"	20 ..	2,00	2,30	2,00	1,14	3,14	1,78	27,55	2.58	137,49	1,133,11
"	27 ..	2,00	2,00	2,00	—	2,00	2,22	27,33	2.58	236,88	1,136,13
February	3 ..	2,00	2,00	2,00	12	2,12	2,26	27,19	2.59	49,65	1,079,36
"	10 ..	2,00	2,00	2,00	5	2,05	2,31	26,93	2.59	63,48	1,079,10
"	17 ..	2,00	2,00	2,00	5	2,05	2,80	26,18	2.59	10,50	1,072,32
"	24 ..	2,00	2,00	2,00	1,00	3,00	2,03	27,15	2.65	20,72	1,047,09
March	3 ..	2,00	2,00	2,00	2	2,02	2,70	26,47	2.75	24,69	1,036,34
"	10 ..	2,00	2,00	2,00	—	2,00	2,00	26,47	2.75	17,87	1,036,93
"	17 ..	2,00	2,25	2,00	5	2,05	2,09	26,43	2.75	114,45	1,026,80
"	24 ..	2,00	2,00	2,00	70	2,70	2,00	27,13	2.75	52,30	1,064,20
"	31 ..	2,00	2,00	2,00	—	2,00	—	29,13	2.75	95,51	1,106,30

REPORT ON CURRENCY AND FINANCE, 1960-61

STATE SMALL SAVINGS

CURRENT INVESTMENTS—

			Post Office Savings Bank Deposits				12-Year National Plan Savings Certificates (a)				4% Ten-Year Treasury Savings Deposit Certificates(a)	
			Gross Receipts	Repayments	Net Receipts	Outstandings	Gross Receipts	Repayments	Net Receipts	Outstandings	Net Receipts	Outstandings
			1	2	3	4	5	6	7	8	9	10
1	1950-51	..	101,06	84,80	16,26	61,36	—	—	—	—	—	—
2	1955-56	..	158,11	121,14	36,97	167,85	—	—	—	—	—	—
3	1956-57	..	176,97	148,32	28,65	196,50	—	—	—	—	—	—
4	1957-58	..	179,87	162,46	17,41	213,91	71,47	3	71,44	71,44	5,47	5,47
5	1958-59	..	191,75	170,75	21,00	234,91	87,45	6,11	81,34	152,78	6,21	11,68
6	1959-60	..	210,39	184,62	25,77	260,68	83,25	14,35	68,90	221,68	10,08	21,76
7	1960-61*	..	228,80	191,71	37,09	297,77	82,54	16,92	65,62	287,30	15,58	37,34
8	April	1959	16,39	16,41	—	234,89	6,36	1,53	4,83	157,61	58	12,26
9	May	"	15,68	17,74	—	232,83	5,71	1,00	4,71	162,32	53	12,79
10	June	"	15,88	16,49	—	232,22	6,03	81	5,22	167,54	40	13,19
11	July	"	17,23	14,15	3,08	235,30	6,17	88	5,29	172,83	47	13,66
12	August	"	15,12	13,36	1,76	237,06	6,04	76	5,28	178,11	53	14,19
13	September	"	15,23	13,43	1,80	238,86	6,37	90	5,47	183,58	97	15,16
14	October	"	14,31	13,96	35	239,21	5,66	88	4,78	188,36	99	16,15
15	November	"	14,54	13,68	86	240,07	6,19	89	5,30	193,66	1,20	17,35
16	December	"	15,76	15,17	59	240,66	6,72	1,03	5,69	199,35	1,20	18,55
17	January	1960	15,15	14,90	25	240,91	7,19	1,31	5,88	205,23	1,22	19,77
18	February	"	16,94	15,61	1,33	242,24	7,57	1,85	5,72	210,95	1,02	20,79
19	March	"	38,16	19,72	18,44	260,68	13,24	2,51	10,73	221,68	97	21,76
20	April	"	17,87	19,23	—	259,32	6,47	1,96	4,51	226,19	1,40	23,16
21	May	"	17,00	18,64	—	257,68	6,45	1,39	5,06	231,25	1,03	24,19
22	June	"	17,36	16,07	1,29	258,97	5,76	1,38	4,38	235,63	90	25,09
23	July	"	15,25	12,55	2,70	261,67	5,83	1,11	4,72	240,35	1,00	26,09
24	August	"	19,75	14,67	5,08	266,75	6,79	1,26	5,53	245,88	1,14	27,23
25	September	"	18,77	14,42	4,35	271,10	7,16	1,20	5,96	251,84	1,48	28,71
26	October	"	16,90	15,02	1,88	272,98	7,05	1,19	5,86	257,70	1,56	30,27
27	November	"	17,91	15,89	2,02	275,00	6,21	1,13	5,08	262,78	1,46	31,73
28	December	"	19,04	16,18	2,86	277,86	6,75	1,27	5,48	268,26	1,15	32,88
29	January	1961	18,08	15,88	2,20	280,06	6,47	1,25	5,22	273,48	1,27	34,15
30	February	"	18,05	15,29	2,76	282,82	6,43	1,21	5,22	278,70	1,60	35,75
31	March	"	32,82	17,87	14,95	297,77	11,17	2,57	8,60	287,30	1,59	37,34

Note -Outstandings relate to end of period and do not include the Indian Union's share of pre-partition liabilities; repayments, however, include those from the pre-partition holdings of Indian investors.

*Figures are provisional, constituent items, therefore, do not necessarily add up to the totals. Later data, which are also provisional, place net receipts from small savings at about Rs. 106.75 crores (including accrued interest) for 1960-61.

REPORT ON CURRENCY AND FINANCE, 1960-61

MENT 70

(ANNUAL AND MONTHLY)

(Lakhs of Rupees)

EXISTING SERIES

				OLD SERIES (DISCHARGES) OUTSTANDINGS AS AT THE END OF THE PERIOD				Total		
15-year Annuity Certificates(b)		Cumulative Time Deposits (c)		National Savings Certificates (d)	10-Year National Plan Certificates (e)	Post Office Cash & Defence Savings Certificates & Defence Savings Deposits (f)	3½ % Ten-year Treasury Savings Deposit Certificates (g)	Total Net Receipts	Total outstandings(h)	
Net-Receipts	Outstandings	Net Receipts	Outstandings							
11	12	13	14	15	16	17	18	19	20	
—	—	—	—	57,91	—	—22,32	5,31	38,91	124,58	1
41	95	—	—	153,61	16,38	—37,68	41,25	69,76	380,04	2
37	1,32	—	—	172,69	25,38	—38,82	44,28	60,13	440,17	3
55	1,87	—	—	150,43	23,12	—39,74	43,58	69,64	509,82	4
54	2,41	5	5	124,66	21,02	—40,67	42,57	80,26	590,08	5
50	2,90	76	81	103,69	19,79	—41,35	41,68	82,91	672,99	6
48	3,38	1,83	2,64	85,20	18,36	—42,00	38,80	97,81	770,80	7
10	2,50	3	8	122,70	20,89	—40,72	42,49	3,34	593,42	8
4	2,54	3	11	121,05	20,77	—40,78	42,39	1,38	594,80	9
2	2,56	3	14	119,43	20,62	—40,85	42,33	3,23	598,03	10
7	2,62	5	19	117,59	20,53	—40,88	42,25	6,94	604,97	11
2	2,64	5	24	115,80	20,44	—40,94	42,19	5,70	610,67	12
4	2,67	6	30	114,10	20,36	—41,01	42,10	6,46	617,13	13
4	2,71	6	36	112,54	20,28	—41,07	42,04	4,52	621,65	14
2	2,73	7	43	110,91	20,17	—41,14	41,96	5,63	627,28	15
5	2,77	8	51	109,07	20,06	—41,20	41,90	5,59	632,87	16
4	2,81	8	59	107,41	19,96	—41,27	41,84	5,65	638,52	17
4	2,86	9	68	105,84	19,87	—41,27	41,75	6,46	644,98	18
5	2,90	13	81	103,69	19,79	—41,35	41,68	28,01	672,99	19
8	2,98	10	91	101,81	19,68	—41,41	41,58	2,64	675,63	20
3	3,01	11	1,02	99,95	19,55	—41,46	41,50	2,53	678,16	21
3	3,04	13	1,15	98,17	19,49	—41,51	41,41	4,79	682,95	22
2	3,07	13	1,28	96,56	19,43	—41,55	41,32	6,83	689,78	23
7	3,14	13	1,41	95,06	19,37	—41,61	41,21	10,29	700,07	24
5	3,18	14	1,55	93,52	19,26	—41,66	41,14	10,23	710,30	25
4	3,22	14	1,69	92,02	19,19	—41,71	41,09	7,88	718,18	26
3	3,25	16	1,85	91,71	19,12	—41,74	41,02	8,29	726,46	27
4	3,29	17	2,02	89,21	18,97	—41,81	40,97	7,00	733,46	28
4	3,32	18	2,20	87,92	18,87	—41,86	40,90	7,44	740,90	29
4	3,36	19	2,39	86,51	18,44	—41,95	39,88	6,96	747,86	30
2	3,38	25	2,64	85,20	18,36	—42,00	38,80	22,94	770,80	31

(a) Issued from June 1, 1957. (b) Relate to first series issued from July 1954 to December 1957 and to second series issued from January 1958. Outstandings include both the series. (c) Commenced from January 2, 1959. (d) Include Twelve-year, Seven-year and Five-year National Savings Certificates, the last being discontinued with effect from July 1, 1953 and the others from June 1, 1957. (e) Issued from May 10, 1954 to May 30, 1957. (f) Represent progressive net repayments at the end of period since August 15, 1947. (g) No sales from June 1, 1957. (h) Outstandings in respect of items in column 17 are not included.

STATEMENT 71

MARKET BORROWINGS OF THE GOVERNMENT OF INDIA AND STATE GOVERNMENTS, 1960-61

Description of Loan	1	2	3	4	5	6	7	Subscriptions Accepted (Rs. crores)			10	11	12
								Cash	Conversion				
									Description of Loan	Amount			
Amount of Issue (Rs. crores)	Period of Maturity (No. of years)	Issue Price (Rs.)	Redem- tion yield at Issue price (%)	Amount subscribed (Rs. crores)	Repay- ment in borrowing (Rs. crores)								
1956-57													
Central Government	..	150.00				157.73	77.21			80.52	157.73	—	+ 77.21
State Governments	..	64.00				74.23	66.53			2.18	68.71	3.00	+ 63.53
Total	..	214.00				231.96	143.74			82.70	226.44	3.00	+ 140.74
1957-58													
Central Government	..	130.00				136.17	91.09			45.08	136.17	25.16	+ 65.93
State Governments	..	9.00				12.52	8.58			1.33	9.91	3.77	+ 4.81
Total	..	139.00				148.69	99.67			46.41	146.08	28.93	+ 70.74
1958-59													
Central Government	..	195.00				201.87	192.45			9.36	201.81	11.59	+ 180.86
State Governments	..	50.00				65.84	49.18			5.24	54.42	3.19	+ 45.99
Total	..	245.00				267.71	241.63			14.60	256.23	14.78	+ 226.85
1959-60													
Central Government	..	220.00				228.97	139.46			89.51	228.97	32.75	+ 106.71
State Governments	..	63.50				102.38	68.88			0.57	69.45	0.85	+ 68.03
Total	..	283.50				331.35	208.34			90.08	298.42	33.60	+ 174.74
1960-61													
Central Government:													
3½ % Bonds, 1966	..	175.00	6	99.75	3.55	180.70	63.11		2½ % Loan, 1960	19.54	82.65	38.79	+ 67.28
4 % Loan, 1980	..		20	99.90	4.01		42.96		4 % Loan, 1960-70	55.09	98.05		
									2½ % Hyderabad Loan, 1955-60				
Total of Central Government	..	175.00				180.70	106.07			74.63	180.70	38.79	+ 67.28

REPORT ON CURRENCY AND FINANCE, 1960-61

State Governments

4%	Andhra Pradesh State Development Loan, 1969 ..	9.00	9	99.75	4.03	13.28	9.85	—	9.85	—	+	9.85	
4%	Bihar State Development Loan, 1969 ..	3.00	9	99.50	4.07	3.22	3.22	—	3.22	—	+	3.22	
4%	Gujarat State Development Loan, 1969 ..	5.00	9	100.00	4.00	5.77	5.49	—	5.49	—	+	5.49	
4%	Kerala State Development Loan, 1969 ..	4.00	9	99.50	4.07	4.09	4.09	—	4.09	—	—	4.09	
4%	Madhya Pradesh State Development Loan, 1969 ..	5.00	9	99.50	4.07	5.16	4.37	3% Madhya Pradesh Loan, 1960	5.16	0.22	+	4.15	
4%	Madras Loan, 1969 ..	12.00	9	99.75	4.03	12.20	8.62	3% Madras Government Development Bonds, 1960	3.58	12.20	3.60	+	5.02
4%	Maharashtra State Development Loan, 1969 ..	10.00	9	100.00	4.00	10.99	10.00	3% Bombay State Development Loan, 1960	0.99	10.99	1.65	+	8.35
4%	Mysore State Development Loan, 1969 ..	4.00	9	99.75	4.03	4.91	4.38	—	4.38	—	+	4.38	
4%	Orissa Government Loan, 1969 ..	4.00	9	99.50	4.07	4.91	4.40	—	4.40	—	+	4.40	
4%	Rajasthan State Development Loan, 1969 ..	5.00	9	99.75	4.03	5.09	5.09	—	5.09	—	+	5.09	
4%	Uttar Pradesh State Development Loan, 1969 ..	7.00	9	99.75	4.03	8.80	6.72	3% Uttar Pradesh Loan, 1960	1.07	7.79	1.09	+	5.63
4%	West Bengal Loan, 1969 ..	7.00	9	99.75	4.03	7.05	7.05	—	7.05	—	+	7.05	
Total of State Governments ..		75.00				85.47	73.28		6.44	79.71	6.56	+	66.72
Total of Central and State Governments ..		250.00			266.17	179.35		81.07	260.41	45.35	+	134.00	

Note:—The Statement excludes (i) further issues of the value Rs. 50 crores created in January 1961 against conversion of Treasury Bills held by the Reserve Bank of India in their Issue Department, (ii) issues and repayments of 3½% U.P. Encumbered Estates Act Bonds, 2½% U.P. Zamindari Abolition Compensation and Rehabilitation Grant Bonds, U.P. Zamindari Abolition Rehabilitation Grant Bonds, 2½% Rajasthan Jagir Resumption Compensation and Rehabilitation Bonds, 3% Bombay Land Tenure Abolition Acts Compensation Bonds, 3% Bombay Land Tenure Abolition Act Compensation Bonds (Mysore Government) and 2½% Bihar Zamindari Abolition Compensation Bonds and issues of 3% Bombay Land Tenure Abolition Act (A.G. Maharashtra) Compensation Bonds, 3% Bombay Land Tenure Abolition Act (Gujarat) Compensation Bonds and 2½% Mysore Inams Abolition Compensation Bonds; total issues and repayments of these during 1960-61 amounted, respectively, to Rs. 26.13 crores and Rs. 6.08 crores.

REPORT ON CURRENCY AND FINANCE, 1960-61

STATEMENT 72

CENTRAL AND STATE GOVERNMENT LOANS

(OUTSTANDINGS AS ON MARCH 31, 1961)

(Thousands of Rupees)

										Amount Outstanding
Central Government Loans										
3½%	National Plan Bonds, 1961	..	..	..	..	..	..	..	..	75,29,00
2½%	Loan, 1961	..	..	..	..	..	..	..	..	57,00,69
3½%	Bonds, 1962	..	..	..	..	..	..	..	..	1,07,27,36
2½%	Loan, 1962	..	..	..	..	..	..	..	..	75,86,72
3½%	Bonds, 1963	..	..	..	..	..	..	..	..	58,05,92
3%	Loan, 1963-65	..	..	..	..	..	..	..	..	1,16,17,46
3½%	National Plan Loan, 1964	..	..	..	..	..	..	..	..	1,58,17,94
3%	Loan, 1964	..	..	..	..	..	..	..	..	30,33,10
3½%	National Plan Bonds (Second Series), 1965	..	..	..	..	..	..	..	..	1,53,67,92
3½%	Bonds, 1966	..	..	..	..	..	..	..	..	82,65,41
3%	Funding Loan, 1966-68	..	..	..	..	..	..	..	..	1,10,11,78
3½%	National Plan Bonds (Third Series), 1967	..	..	..	..	..	..	..	..	1,03,81,83
3½%	National Plan Bonds (Fourth Series), 1967	..	..	..	..	..	..	..	..	56,99,30
3½%	National Plan Bonds (Fifth Series), 1968	..	..	..	..	..	..	..	..	64,33,90
3½%	Loan, 1968	..	..	..	..	..	..	..	..	70,00,00
3½%	Bonds, 1969	..	..	..	..	..	..	..	..	1,47,90,93
3%	First Development Loan, 1970-75	..	..	..	..	..	..	..	..	1,15,05,83
4%	Loan, 1972	..	..	..	..	..	..	..	..	49,17,27
4%	Loan, 1973	..	..	..	..	..	..	..	..	49,51,44
4%	Loan, 1973 (<i>Ad-hoc</i> Issue)	..	..	..	..	..	..	..	..	3,00,00,00
3½%	Loan, 1974	..	..	..	..	..	..	..	..	86,63,53
2½%	Loan, 1976	..	..	..	..	..	..	..	..	14,77,48
4%	Loan, 1979	..	..	..	..	..	..	..	..	81,06,39
4%	Loan, 1980	..	..	..	..	..	..	..	..	98,03,48
3%	Bhopal Loan, 1966-76	..	..	..	..	..	..	..	..	1,21,73
3%	Hyderabad Loan, 1951-61	..	..	..	..	..	..	..	..	6,59,00
2½%	Hyderabad Loan, 1953-63	..	..	..	..	..	..	..	..	5,38,42
4%	Hyderabad Development Loan, 1963	..	..	..	..	..	..	..	..	3,34,71
1½%	Hyderabad Loan, 1964	..	..	..	..	..	..	..	..	3,85,71
4%	Hyderabad Development Loan, 1967	..	..	..	..	..	..	..	..	2,12,46
4%	Hyderabad Development Loan, 1968	..	..	..	..	..	..	..	..	2,18,02
2½%	Hyderabad Loan, 1974	..	..	..	..	..	..	..	..	4,40,00
2½%	Hyderabad Loan, 1975	..	..	..	..	..	..	..	..	6,85,71
3%	Conversion Loan, 1986 or later	..	..	..	..	..	..	..	..	2,48,91,22
3%	Non-terminable Loan, 1896-97	..	..	..	..	..	..	..	..	8,93,33
	5 year Interest Free Prize Bonds	..	..	..	..	..	..	..	..	15,57,68
										25,71,32,67
Loans not bearing interest										
Central Government Loans										8,29,35
Hyderabad Loans										30,08
TOTAL										25,79,92,10
State Government Loans										
ANDHRA PRADESH										
4%	Andhra State Development Loan, 1967	..	..	..	..	..	..	..	..	5,00,16
4%	Andhra State Development Loan, 1968	..	..	..	..	..	..	..	..	6,56,15
4%	Andhra State Development Loan, 1969	..	..	..	..	..	..	..	..	9,85,35
4½%	Andhra State Development Loan, 1970	..	..	..	..	..	..	..	..	5,48,92
4%	Andhra State Development Loan, 1971	..	..	..	..	..	..	..	..	6,57,75
TOTAL										33,48,33

Note: (1) The liability for Hyderabad State loans was taken over by the Central Government on October 31, 1956 under Section 82(1) of the States' Reorganization Act. The outstanding balances of Hyderabad loan in O. S. Currency have been converted into India Government Currency at the rate of I. G. Rs. 6= O.S. Rs. 7. (2) The data regarding State Government loans are incomplete in respect of loans issued prior to the financial arrangement with the Reserve Bank of India.

REPORT ON CURRENCY AND FINANCE, 1960-61

STATEMENT 72—(Contd.)

CENTRAL AND STATE GOVERNMENT LOANS

(OUTSTANDINGS AS ON MARCH 31, 1961)

(Thousands of Rupees)

State Government Loans—(Contd.)										Amount Outstanding
ASSAM										
4 % Assam Loan, 1971	..	..	..	..	..	..	..	..	..	2,76,40
BIHAR										
2½ % Bihar Z.A.C. Bonds	..	..	..	..	..	..	..	..	..	5,44,80
4 % Bihar State Development Loan, 1963	..	..	..	..	..	..	..	..	..	1,31,29
4 % Bihar State Development Loan, 1967	..	..	..	..	..	..	..	..	..	1,54,02
4 % Bihar State Development Loan, 1968	..	..	..	..	..	..	..	..	..	2,13,41
4 % Bihar State Development Loan, 1969	..	..	..	..	..	..	..	..	..	3,22,40
4½ % Bihar State Development Loan, 1970	..	..	..	..	..	..	..	..	..	2,76,71
4 % Bihar State Development Loan, 1971	..	..	..	..	..	..	..	..	..	3,33,22
TOTAL										19,75,84
GUJARAT										
4 % Gujarat State Development Loan, 1969	..	..	..	..	..	..	..	..	..	5,49,22
3 % Bombay Land Tenure Abolition Acts Compensation Bonds	..	..	..	..	..	..	..	..	..	34,48
TOTAL										5,83,70
KERALA										
3½ % Cochin Bonds, 1956-61	..	..	..	..	..	..	..	..	..	30,00
4 % Travancore-Cochin State Development Loan, 1963	..	..	..	..	..	..	..	..	..	3,25,61
4 % Travancore-Cochin State Development Loan, 1968	..	..	..	..	..	..	..	..	..	2,22,08
4 % Kerala State Development Loan, 1969	..	..	..	..	..	..	..	..	..	4,08,64
4½ % Kerala State Development Loan, 1970	..	..	..	..	..	..	..	..	..	3,27,43
4 % Kerala State Development Loan, 1971	..	..	..	..	..	..	..	..	..	4,47,08
										17,60,83
Loans not bearing interest	..	..	..	..	..	..	..	..	..	3,06
TOTAL										17,63,89
MADHYA PRADESH										
3½ % Madhya Pradesh Loan, 1962	..	..	..	..	..	..	..	..	..	1,02,18
4 % Madhya Bharat State Development Loan, 1963	..	..	..	..	..	..	..	..	..	1,04,77
4 % Madhya Pradesh Loan, 1963	..	..	..	..	..	..	..	..	..	1,10,18
3 % Madhya Pradesh State Development Loan, 1964	..	..	..	..	..	..	..	..	..	2,03,29
4 % Madhya Pradesh State Development Loan, 1967	..	..	..	..	..	..	..	..	..	1,63,12
4 % Madhya Pradesh State Development Loan, 1968	..	..	..	..	..	..	..	..	..	1,58,42
4 % Madhya Bharat State Development Loan, 1968	..	..	..	..	..	..	..	..	..	1,11,26
4 % Madhya Pradesh State Development Loan, 1969	..	..	..	..	..	..	..	..	..	5,16,28
4½ % Madhya Pradesh State Development Loan, 1970	..	..	..	..	..	..	..	..	..	2,21,35
4 % Madhya Pradesh State Development Loan, 1971	..	..	..	..	..	..	..	..	..	5,28,25
										22,19,10
Loans not bearing interest	..	..	..	..	..	..	..	..	..	99
TOTAL										22,20,08

REPORT ON CURRENCY AND FINANCE, 1960-61

STATEMENT 72—(Contd.)

CENTRAL AND STATE GOVERNMENT LOANS

(OUTSTANDINGS AS ON MARCH 31, 1961)

(Thousands of Rupees)

State Government Loans—(Contd.)										Amount Outstanding
MADRAS										
2½ %	Madras Loan, 1961	..	..	..	..	..	..	..	..	3,81,77
3½ %	Madras Loan, 1962	..	..	..	..	..	..	..	..	3,01,49
4 %	Madras Loan, 1963	..	..	..	..	..	..	..	..	10,33,71
4 %	Madras Loan, 1964	..	..	..	..	..	..	..	..	5,24,81
4 %	Madras Loan, 1967	..	..	..	..	..	..	..	..	10,47,17
4 %	Madras Loan, 1968	..	..	..	..	..	..	..	..	13,83,56
4 %	Madras Loan, 1969	..	..	..	..	..	..	..	..	12,20,42
4½ %	Madras Loan, 1970	..	..	..	..	..	..	..	..	5,55,57
4 %	Madras Loan, 1971	..	..	..	..	..	..	..	..	8,72,75
Loans not bearing interest										73,21,26
										36,76
TOTAL										73,58,02
MAHARASHTRA										
3 %	Bombay Tapi Irrigation Development Loan, 1961	..	..	..	..	..	..	..	..	67,73
3 %	Bombay Provincial Development Loan, 1962	..	..	..	..	..	..	..	..	5,20,97
3½ %	Bombay State Development Loan, 1962	..	..	..	..	..	..	..	..	2,78,41
4 %	Bombay State Development Loan 1963	..	..	..	..	..	..	..	..	5,02,55
4 %	Bombay State Development Loan, 1964	..	..	..	..	..	..	..	..	3,34,83
4 %	Bombay State Development Loan, 1967	..	..	..	..	..	..	..	..	9,41,35
4 %	Maharashtra State Development Loan, 1969	..	..	..	..	..	..	..	..	10,98,86
4½ %	Bombay State Development Loan, 1969	..	..	..	..	..	..	..	..	6,47,37
4½ %	Bombay State Development Loan, 1970	..	..	..	..	..	..	..	..	6,48,62
4 %	Bombay State Development Loan, 1970	..	..	..	..	..	..	..	..	7,70,11
4½ %	Bombay State Development Loan, 1971	..	..	..	..	..	..	..	..	4,31,45
4 %	Bombay State Development Loan, 1971	..	..	..	..	..	..	..	..	6,58,14
4 %	Saurashtra State Development Loan, 1963	..	..	..	..	..	..	..	..	1,11,05
4 %	Saurashtra State Development Loan, 1964	..	..	..	..	..	..	..	..	2,50,94
4 %	Saurashtra State Development Loan, 1967	..	..	..	..	..	..	..	..	3,45,39
4 %	Saurashtra State Development Loan, 1968	..	..	..	..	..	..	..	..	2,62,56
3 %	Porbandar Water Project Loan, 1950-75	..	..	..	..	..	..	..	..	35,00
3 %	Bombay Land Tenure Abolition Acts Compensation Bonds	..	..	..	..	..	..	..	..	1,18,69
3 %	Bombay Land Tenure Abolition Acts Compensation Bonds (A. G. Maharashtra)	..	..	..	..	..	..	..	..	7,16
Loans not bearing interest										80,31,16
										2,43
TOTAL										80,33,59
MYSORE										
4 %	Mysore Loan, 1953-63	..	..	..	..	..	..	..	..	2,95,85
3 %	Mysore Loan, 1956-61	..	..	..	..	..	..	..	..	5,99,73
4 %	Mysore State Development Loan, 1963	..	..	..	..	..	..	..	..	3,33,47
4 %	Mysore State Development Loan, 1967	..	..	..	..	..	..	..	..	3,54,94
4 %	Mysore State Development Loan, 1968	..	..	..	..	..	..	..	..	4,11,11
4 %	Mysore State Development Loan, 1969	..	..	..	..	..	..	..	..	4,37,73
4½ %	Mysore State Development Loan, 1969	..	..	..	..	..	..	..	..	3,34,36
4½ %	Mysore State Development Loan, 1970	..	..	..	..	..	..	..	..	5,51,62
4 %	Mysore State Development Loan, 1971	..	..	..	..	..	..	..	..	5,43,46
3 %	Bombay Land Tenure Abolition Acts Compensation Bonds	..	..	..	..	..	..	..	..	6,46
2½ %	Mysore I.A.C. Bonds	11,72
Loans not bearing interest										38,80,46
										5,86
TOTAL										38,86,32

TOTAL	..	5,28,70,31
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STATEMENT 73

GOVERNMENT BALANCES IN INDIA WITH THE RESERVE BANK OF INDIA AND AT
GOVERNMENT TREASURIES

(Lakhs of Rupees)

Reserve Bank of India					End of	Government Treasuries					
Central Government		State Governments		Central Government		State Governments					
1959-60	1960-61	1959-60	1960-61			1959-60	1960-61				
64.77	51.95	10.55	31.74	..	April	..	..	18	33	8.20	6.31
63.23	66.56	12.39	13.68	..	May	..	..	29	24	7.07	5.85
44.60	50.33	14.95	16.53	..	June	..	..	17	44	6.94	6.36
61.03	41.74	15.28	45.78	..	July	..	..	12	45	7.08	5.62
80.04	59.64	27.95	68.47	..	August	..	..	31	35	6.26	5.59
63.47	58.96	6.11	8.42	..	September	..	..	32	12	5.45	4.88
44.91	67.44	1.98	14.01	..	October	..	..	16	48	5.30	4.61
52.46	90.02	20.89	1.33	..	November	..	..	27	38	5.87	4.98
64.76	74.80	15.93	— 7.54	..	December	..	..	18	11	6.03	4.83
52.09	27.73	18.36	39.43	..	January	..	..	25	2	7.07	6.00
35.16	50.98	36.67	1.86	..	February	..	..	14	34	6.77	5.33
72.28	48.15	— 20.56	— 29.25	..	March	..	..	— 3.46	24	6.41	6.20

REPORT ON CURRENCY AND FINANCE, 1960-61

STATEMENT 74

INDIA'S FOREIGN EXCHANGE RESERVES

(Lakhs of Rupees)

End of							Assets (a)	Movement (Increase+ Decrease-)
1950-51	..	..	..	..	..	..	951,41	+ 28,55
1955-56	..	..	..	..	..	..	824,61	+ 10,47
1956-57(b)	..	..	..	..	..	..	681,10	- 143,51
1957-58(b)	..	..	..	..	..	..	421,22	- 259,88
1958-59	..	..	..	..	..	..	378,92	- 42,30
1959-60	..	..	..	..	..	..	362,87	- 16,05
1960-61	..	..	..	..	..	..	303,61	- 59,26
April	1959	..	..	..	..	..	366,75	- 12,17
May	"	..	..	..	..	..	361,02	- 5,73
June	"	..	..	..	..	..	356,30	- 4,72
July	"	..	..	..	..	..	349,30	- 7,00
August	"	..	..	..	..	..	351,68	+ 2,38
September	"	..	..	..	..	..	351,82	+ 14
October	"	..	..	..	..	..	372,66	+ 20,84
November	"	..	..	..	..	..	377,36	+ 4,70
December	"	..	..	..	..	..	387,54	+ 10,18
January	1960	..	..	..	..	..	386,47	- 1,07
February	"	..	..	..	..	..	367,42	- 19,05
March	"	..	..	..	..	..	362,87	- 4,55
April	"	..	..	..	..	..	353,95	- 8,92
May	"	..	..	..	..	..	339,12	- 14,83
June	"	..	..	..	..	..	326,96	- 12,16
July	"	..	..	..	..	..	320,22	- 6,74
August	"	..	..	..	..	..	310,79	- 9,43
September	"	..	..	..	..	..	307,83	- 2,96
October	"	..	..	..	..	..	312,23	+ 4,40
November	"	..	..	..	..	..	322,27	+ 10,04
December	"	..	..	..	..	..	319,05	- 3,22
January	1961	..	..	..	..	..	316,80	- 2,25
February	"	..	..	..	..	..	320,94	+ 4,14
March	"	..	..	..	..	..	303,61	- 17,33

(a) Include (i) 7 1 million ounces of gold held by the Reserve Bank of India, valued till October 5, 1956, at Rs. 21 24 per tola and at Rs. 62.50 per tola thereafter as provided under Section 33 of the Reserve Bank of India (Amendment) Act, 1956, (ii) foreign assets of the Reserve Bank of India and (iii) Government balances held abroad.

(b) Include net borrowing from the I.M.F. of \$115 million (Rs. 55 crores) during 1956-57 and the stand-by credit of \$72.5 million (Rs. 34.5 crores) during 1957-58.

STATEMENT 75

INDIA'S OVERALL BALANCE OF PAYMENTS, 1960-61 (PRELIMINARY)

A. CURRENT ACCOUNT

Item	April-June 1960				July-September 1960				October-December 1960				January-March 1961				Year : 1960-61			
	Credits		Debits		Credits		Debits		Credits		Debits		Credits		Debits		Credits		Debits	
	Net		Net		Net		Net		Net		Net		Net		Net		Net		Net	
1. Merchandise (Exports <i>f.o.b.</i> , Imports <i>c.i.f.</i>)																				
(i) Private	151.5	149.2	+ 2.3	145.8	138.3	-	7.5	170.3	151.5	+ 18.8	159.6	152.5	+ 7.1	627.2	591.5	+ 35.7				
(ii) Government (a)	1.1	139.0	-137.9	0.9	112.2	-111.3	1.3	115.3	-114.0	1.4	130.0	-128.6	4.7	496.5	-491.8					
2. Non-monetary gold movement	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—				
3. Travel (b)	1.1	2.9	- 1.8	0.7	3.7	- 3.0	1.1	2.3	- 1.2	1.4	2.1	- 0.7	4.3	11.0	- 6.7					
4. Transportation (c)	10.6	5.7	+ 4.9	10.8	5.4	+ 5.4	11.1	5.7	- 5.4	10.3	7.0	+ 3.3	42.8	23.8	+ 19.0					
5. Insurance (c)	1.5	1.4	+ 0.1	1.8	1.7	+ 0.1	2.6	1.4	+ 1.2	2.2	1.6	+ 0.6	8.1	6.1	+ 2.0					
6. Investment Income (d)	3.7	10.3	- 6.6	3.2	14.2	- 11.0	3.4	14.7	- 11.3	4.0	16.7	- 12.7	14.3	55.9	- 41.6					
7. Government, not included elsewhere (e)	19.2	2.6	+ 16.6	13.5	2.2	+ 11.3	18.8	2.9	+ 15.9	10.0	12.2†	- 2.2	61.5	19.9†	+ 41.6					
8. Miscellaneous (f)	11.5	8.2	- 3.3	7.4	6.8	+ 0.6	9.2	8.8	+ 0.4	7.4	8.1	- 0.7	35.5	31.9	+ 3.6					
9. Donations																				
(i) Official (g)	16.7*	—	+ 16.7	10.0	—	+ 10.0	7.9	—	- 7.9	10.8	—	+ 10.8	45.4*	—	+ 45.4					
(ii) Private (h)	13.0	4.7	- 8.3	10.5	3.8	+ 6.7	10.9	4.2	+ 6.7	10.1	4.1	- 6.0	44.5	16.8	+ 27.7					
10. Total Current Transactions	229.9	324.0	-94.1	204.6	288.3	-83.7	236.6	306.8	-70.2	217.2	334.3	-117.1	888.3	1253.4	-365.1					
Errors and Omissions			- 3.3			-11.1		- 3.6				- 11.5			+ 0.7					

(a) Transactions under government barter deals, if any, have not been included. (b) Data for receipts are incomplete. (c) Receipts cover estimated amounts of freight and insurance paid in advance by exporters and disbursements of foreign ships in Indian ports, etc., and payments include operating expenses abroad of Indian steamship companies and some freight and insurance payments. It may be noted that these items are more or less complete on the receipts side but in regard to payments, only a portion of the expenditure is entered here. Payments for imports are recorded on a *c.i.f.* basis and, therefore, they include all but a small portion of expenditure on account of 'Transportation' and 'Insurance'. (d) Receipts include interest on investments of the Reserve Bank of India. (e) The payments figures represent Government disbursements e.g., for the upkeep of its organisations abroad and contributions to international organisations. (f) Covers receipts and payments mainly for services, e.g., for film rentals and technicians and agency services. (g) Represents contra entries for imports financed by aid received under the Colombo Plan, Indo-American Technical Co-operation Agreement, P.L. 480 programme and cash receipts from the Ford Foundation etc. (h) Comprises unilateral transfers like migrants' transfers and personal and institutional remittances like family maintenance allowances, upkeep of religious missions, etc.

* Includes Rs. 8.4 crores earmarked by the U.S. authorities to finance export of goods and services to Nepal under their economic aid programme to that country.

† Includes Rs. 8.3 crores paid to IBRD as the first instalment of our contribution to the Indus Basin Development Fund under the terms of the Indus Water Treaty signed on September 19, 1960.

STATEMENT 75—(Contd.)

INDIA'S OVERALL BALANCE OF PAYMENTS, 1960-61 (PRELIMINARY)—(Contd.)

B. CAPITAL ACCOUNT

Item	(Crores of Rupees)									
	Net credit (+), Net debit (—)					Year : 1960-61				
	April-June 1960		July-September 1960		October-December 1960	January-March 1961		Year : 1960-61		Net
	Credits	Debits	Credits	Debits		Credits	Debits	Credits	Debits	
I. Private (a)										
1. Long-term	8.0	4.2 — 3.8	3.1	3.1 —	10.1	9.5 + 0.6	4.7	3.8 — 0.9	25.9	20.6 + 5.3
2. Short-term	0.3	3.5 — 3.2	1.1	2.2 — 1.1	1.9	2.2 — 0.3	2.2	0.8 + 1.4	5.5	8.7 — 3.2
II. Banking (b)	2.4	9.3 — 6.9	11.4	4.9 + 6.5	12.4	12.6 — 0.2	11.2	1.5 — 9.7	37.4	28.3 + 9.1
III. Official (c)										
1. Loans (d)	59.4	15.7 + 43.7	58.9	— + 58.9	60.0	— + 60.0	61.9	— + 61.9	240.2	15.7 + 224.5
2. Amortisation (e)	1.5	8.4 — 6.9	—	2.4 — 2.4	1.1	5.4 — 4.3	0.1	15.8 — 15.7	2.7	32.0 — 29.3
3. Miscellaneous (f)	41.4	10.4 + 31.0	22.7	8.9 + 13.8	36.8	14.8 + 22.0	35.1	3.1 — 32.0	136.0	37.2 + 98.8
4. Reserves (g)	36.0	0.1 — 35.9	29.7	10.6 + 19.1	1.3	12.5 — 11.2	15.5	0.1 + 15.4	82.5	23.3 + 59.2
IV. Total Capital and Monetary gold	149.0	51.6 + 97.4	126.9	32.1 + 94.8	123.6	57.0 — 66.6	130.7	25.1 + 105.6	530.2	165.8 + 364.4

(a) Non-banking. (b) Excluding R.B.I. (c) Including R.B.I. (d) Credits represent utilization of various foreign loans and credits obtained by the country viz., loans from I.B.R.D., U.S. Eximbank, Development Loan Fund, the Japanese Yen credit, U.K.-India Oil Pipeline credit, credits arranged for the steel plants at Bhilai and Rourkela from the U.S.S.R. and West Germany respectively, the Russian credit for industrial enterprises and Barauni refinery, West German credit for capital goods, U.S. banks' loan to A.I.I., E.C.G.D. and Lazard Bros. credits from the U.K. and loans under P.L. 480, P.L. 665 and T.C.A. programmes. The entry on the debit side relates to the repurchase of rupees from the I.M.F. and disbursement of loan to Burma. (e) Entries on the debit side relate to repayment of I.B.R.D., D.L.F. and T.C.A. loans and Bhilai credit; on the credit side, the entry relates to a receipt from Burma representing Burma Government's share of Divisible Central Pensions in terms of India-Burma Debt Settlement Agreement, 1955 and part repayment of 1957 loan by that country. (f) Includes changes in the P.L. 480 and P.L. 665 balances and the rupee liabilities of the R.B.I. to non-resident official and semi-official institutions. The debit side includes payment of subscription to the I.D.A. in October-December 1960. (g) Cover changes in the foreign exchange assets of the R.B.I. and the Government and the gold holdings of the former.

REPORT ON CURRENCY AND FINANCE, 1960-61

STATEMENT 76

INDIA'S BALANCE OF PAYMENTS

Current Account : Region-wise Summary

(Crores of Rupees)

	1950-51	1955-56	1956-57	1957-58	1958-59	1959-60 (Revised)	1960-61 (Preliminary)
All Areas							
Imports c.i.f.	650.3	761.4	1099.5	1233.6	1029.0	924.5	1088.0
Exports f.o.b.	646.8	640.2	635.2	668.5(a)	576.3	623.2	631.9
Trade Balance	- 3.5	-121.2	-464.3	565.1	-452.7	-301.3	-456.1
Official Donations	+ 2.1	+ 45.0	+ 39.5	+ 34.1	+ 35.8	+ 37.1	+ 45.4 (e)
Other Invisibles (Net)	+ 40.3	+ 88.5	+112.5	+104.0	+ 90.8	+ 81.6(d)	+ 45.6(f)
Current Account (Net)	+ 38.9	+ 12.3	-312.3	-427.0	-326.1	-182.6	-365.1
Sterling Area							
Imports c.i.f.	330.2	361.2	466.5	450.7	374.9	382.8	364.7
Exports f.o.b.	351.4	330.9	332.6	298.0	301.2	294.8	302.4
Trade Balance	+ 21.2	- 30.3	-133.9	-152.7	- 73.7	- 88.0	- 62.3
Official Donations	—	+ 0.1	+ 2.1	+ 5.4	+ 1.9	+ 0.7	+ 0.6
Other Invisibles (Net)	+ 51.8	+ 74.4	+ 93.9	+ 75.5	+ 59.5	+ 42.0	+ 31.3
Current Account (Net)	+ 73.0	+ 44.2	- 37.9	71.8	- 12.3	- 45.3	- 30.4
Dollar Area							
Imports c.i.f.	138.9	132.2	209.5	283.2	248.6	246.6	380.5
Exports f.o.b.	168.1	120.4	121.0	192.5(a)	104.3	117.5	121.7
Trade Balance	+ 29.2	- 11.8	- 88.5	- 90.7	-144.3	-129.1	-258.8
Official Donations	+ 2.1	+ 44.9	+ 37.2	+ 28.6	+ 33.9	+ 36.2	+ 44.8 (e)
Other Invisibles (Net)	- 1.8	+ 6.1	+ 6.8	+ 14.4	+ 22.9	+ 34.6(d)	+ 19.1(f)
Current Account (Net)	+ 29.5	+ 39.2	- 44.5	- 47.7	- 87.5	- 58.3	-194.9
O.E.E.C. Countries (b)							
Imports c.i.f. .. ..	..	154.3	262.3	314.1	211.9	161.0	189.4
Exports f.o.b. .. ..	..	72.5	62.6	57.4	50.5	60.0	57.9
Trade Balance .. ..	..	- 81.8	-199.7	-256.7	-161.4	-101.0	-131.5
Official Donations .. ..	..	—	+ 0.1	+ 0.1	—	+ 0.1	—
Other Invisibles (Net) .. ..	..	- 2.7	- 0.3	+ 0.8	- 3.8	- 4.7	- 11.9
Current Account (Net) .. ..	..	- 84.5	-199.9	-255.8	-165.2	-105.6	-143.4
Rest of Non-Sterling Area (c)							
Imports c.i.f.	181.2	113.7	161.2	185.6	193.6	134.1	153.4
Exports f.o.b.	127.3	116.4	119.0	120.6	120.3	150.9	149.9
Trade Balance	- 53.9	+ 2.7	- 42.2	- 65.0	- 73.3	+ 16.8	- 3.5
Official Donations .. ..	..	—	+ 0.1	—	—	+ 0.1	—
Other Invisibles (Net)	- 9.7	+ 10.7	+ 12.1	+ 13.3	+ 12.2	+ 9.7	+ 7.1
Current Account (Net)	- 63.6	+ 13.4	- 30.0	- 51.7	- 61.1	+ 26.6	+ 3.6

(a) Includes silver valued at Rs. 74.4 crores despatched to the U.S.A. and delivered to the American Embassy in fulfilment of the lend-lease obligations. (b) Include transactions with their associated territories upto June 1955. (c) Including O.E.E.C. countries in 1950-51. (d) Includes movement of non-monetary gold valued at Rs. +5.9 crores. (e) Includes Rs. 8.4 crores earmarked by the U.S. authorities to finance export of goods and services to Nepal under their economic aid programme to that country. (f) Includes Rs. 8.3 crores paid to IBRD as the first instalment of our contribution to the Indus Basin Development Fund under the terms of the Indus Water Treaty signed on September 19, 1960.

STATEMENT 77

INDIA'S BALANCE OF PAYMENTS, 1960-61 (PRELIMINARY)

CURRENT ACCOUNT : REGION-WISE
STERLING AREA

Item	April-June 1960			July-September 1960			October-December 1960			January-March 1961			Year : 1960-61		
	Credits		Net	Credits		Net	Credits		Net	Credits		Net	Credits		Net
	Debits			Debits			Debits			Debits			Debits		
1. Merchandise (Exports <i>f.o.b.</i> , Imports <i>c.i.f.</i>)															
(i) Private	65.1	74.0	- 8.9	69.9	60.1	+ 9.8	88.6	70.3	+ 18.3	77.0	70.9	+ 6.1	300.6	275.3	+ 25.3
(ii) Government	0.4	26.5	- 26.1	0.4	28.0	- 27.6	0.5	11.1	- 10.6	0.5	23.8	- 23.3	1.8	89.4	- 87.6
2. Non-monetary gold movement	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
3. Travel	—	1.0	- 1.0	—	1.3	- 1.3	—	1.2	- 1.2	0.1	0.8	- 0.7	0.1	4.3	- 4.2
4. Transportation	5.3	2.6	+ 2.7	5.7	2.5	+ 3.2	5.6	2.7	+ 2.9	5.6	3.0	- 2.6	22.2	10.8	+ 11.4
5. Insurance	0.9	0.9	—	1.2	1.1	+ 0.1	1.8	1.0	+ 0.8	1.5	1.1	+ 0.4	5.4	4.1	+ 1.3
6. Investment income	3.0	4.8	- 1.8	2.6	7.0	- 4.4	2.6	7.1	- 4.5	3.3	4.6	- 1.3	11.5	23.5	- 12.0
7. Government, not included elsewhere	3.6	1.8	+ 1.8	7.0	1.3	+ 5.7	5.2	1.5	+ 3.7	1.6	2.8	- 1.2	17.4	7.4	+ 10.0
8. Miscellaneous	8.9	4.5	+ 4.4	4.9	2.7	- 2.2	4.2	3.8	+ 0.4	4.2	3.6	+ 0.6	22.2	14.6	+ 7.6
9. Donations															
(i) Official	0.1	—	- 0.1	—	—	—	0.1	—	+ 0.1	0.4	—	+ 0.4	0.6	—	+ 0.6
(ii) Private	9.4	4.0	+ 5.4	7.5	3.1	- 4.4	7.6	3.5	- 4.1	6.8	3.5	+ 3.3	31.3	14.1	+ 17.2
10. Total Current Transactions	96.7	120.1	- 23.4	99.2	107.1	- 7.9	116.2	102.2	+ 14.0	101.0	114.1	- 13.1	413.1	443.5	- 30.4

(Crores of Rupees)

STATEMENT 77—(Contd.)

INDIA'S BALANCE OF PAYMENTS, 1960-61 (PRELIMINARY)—(Contd.)

CURRENT ACCOUNT : REGION-WISE
DOLLAR AREA (a)

Item	April-June 1960			July-September 1960			October-December 1960			January-March 1961			Year : 1960-61		
	Credits		Net	Credits		Net	Credits		Net	Credits		Net	Credits		Net
	Debits			Debits			Debits			Debits			Debits		
1. Merchandise (Exports f.o.b., imports c.i.f.) ..	32.0	20.7	+ 11.3	27.8	24.8	+ 3.0	29.5	24.8	+ 4.7	31.8	24.4	+ 7.4	121.1	94.7	+ 26.4
(i) Private ..	0.2	81.5	- 81.3	—	59.7	- 59.7	0.2	72.5	- 72.3	0.2	72.1	- 71.9	0.6	285.8	- 285.2
(ii) Government ..	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2. Non-monetary gold movement ..	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
3. Travel ..	0.9	0.5	+ 0.4	0.7	0.8	- 0.1	1.0	0.4	+ 0.6	1.2	0.7	+ 0.5	3.8	2.4	+ 1.4
4. Transportation ..	1.6	1.3	+ 0.3	1.7	1.5	+ 0.2	1.7	1.5	+ 0.2	1.4	1.9	- 0.5	6.4	6.2	+ 0.2
5. Insurance ..	0.1	0.1	—	0.2	0.3	- 0.1	0.2	0.2	—	0.2	0.3	- 0.1	0.7	0.9	- 0.2
6. Investment income ..	0.6	4.8	- 4.2	0.5	3.9	- 3.4	0.7	6.6	- 5.9	0.5	7.1	- 6.6	2.3	22.4	- 20.1
7. Government, not included elsewhere ..	12.9	0.2	- 12.7	5.8	0.1	+ 5.7	12.1	0.5	+ 11.6	7.2	8.6(c)	- 1.4	38.0	9.4(c)	+ 28.6
8. Miscellaneous ..	0.9	1.7	- 0.8	0.8	1.5	- 0.7	2.2	1.5	+ 0.7	1.4	1.6	- 0.2	5.3	6.3	- 1.0
9. Donations															
(i) Official ..	16.6(b)	—	+ 16.6	10.0	—	+ 10.0	7.8	—	+ 7.8	10.4	—	+ 10.4	44.8(b)	—	+ 44.8
(ii) Private ..	3.0	0.1	+ 2.9	2.4	0.1	+ 2.3	2.7	0.2	+ 2.5	2.7	0.2	+ 2.5	10.8	0.6	+ 10.2
10. Total Current Transactions ..	68.8	110.9	- 42.1	49.9	92.7	- 42.8	58.1	108.2	- 50.1	57.0	116.9	- 59.9	233.8	428.7	- 194.9

(a) Comprises the United States, other American Account countries and Canada.

(b) Includes Rs. 8.4 crores earmarked by the U.S. authorities to finance export of goods and services to Nepal under their economic aid programme to that country.

(c) Includes Rs. 8.3 crores paid to the I.B.R.D. as the first instalment of our contribution to the Indus Basin Development Fund under the terms of the Indus Water Treaty signed on September 19. 1960.

STATEMENT 77—(Contd.)

INDIA'S BALANCE OF PAYMENTS, 1960-61 (PRELIMINARY)—(Contd.)

CURRENT ACCOUNT : REGION-WISE
O.E.C. COUNTRIES

Item	April-June 1960						July-September 1960						October-December 1960						January-March 1961						Year : 1960-61					
	Credits		Debits		Net		Credits		Debits		Net		Credits		Debits		Net		Credits		Debits		Net		Credits		Debits		Net	
	(i)	(ii)	(i)	(ii)	(i)-(ii)	(i)-(ii)	(i)	(ii)	(i)	(ii)	(i)-(ii)	(i)-(ii)	(i)	(ii)	(i)	(ii)	(i)-(ii)	(i)-(ii)	(i)	(ii)	(i)	(ii)	(i)-(ii)	(i)-(ii)	(i)	(ii)	(i)	(ii)	(i)-(ii)	(i)-(ii)
1. Merchandise (Exports <i>f.o.b.</i> , Imports <i>c.i.f.</i>) ..	13.8	29.4	-15.6	13.1	28.8	-15.7	15.0	31.9	-16.9	14.8	29.9	-15.1	56.7	120.0	-63.3															
(i) Private ..	0.3	20.2	-19.9	0.3	13.6	-13.3	0.3	17.8	-17.5	0.3	17.8	-17.5	1.2	69.4	-68.2															
(ii) Government ..																														
2. Non-monetary gold movement ..																														
3. Travel ..	0.1	0.7	-0.6		0.6	-0.6	0.1	0.5	-0.4	0.1	0.4	-0.3	0.3	2.2	-1.9															
4. Transportation ..	0.8	1.2	-0.4	0.9	1.0	-0.1	0.9	1.1	-0.2	0.8	1.5	-0.7	3.4	4.8	-1.4															
5. Insurance ..	0.1	0.1		0.1	0.2	-0.1	0.2	0.1	+0.1	0.2	0.1	+0.1	0.6	0.5	+0.1															
6. Investment income ..		0.5	-0.5		3.3	-3.3		0.7	-0.7	0.1	3.7	-3.6	0.1	8.2	-8.1															
7. Government, not included elsewhere ..	0.3	0.4	-0.1	0.2	0.5	-0.3	0.4	0.4		0.6	0.4	+0.2	1.5	1.7	-0.2															
8. Miscellaneous ..	0.9	0.7	+0.2	0.9	0.8	-0.1	0.9	0.9		0.9	1.0	-0.1	3.6	3.4	+0.2															
9. Donations																														
(i) Official ..																														
(ii) Private ..	0.3	0.5	-0.2	0.3	0.4	-0.1	0.2	0.4	-0.2	0.2	0.3	-0.1	1.0	1.6	-0.6															
10. Total Current Transactions ..	16.6	53.7	-37.1	15.8	49.2	-33.4	18.0	53.8	-35.8	18.0	55.1	-37.1	68.4	211.8	-143.4															

(Crores of Rupees)

INDIA'S BALANCE OF PAYMENTS, 1960-61 (PRELIMINARY)—(Contd.)

CURRENT ACCOUNT : REGION-WISE
REST OF NON-STERLING AREA

Item	April-June 1960			July-September 1960			October-December 1960			January-March 1961			Year : 1960-61	
	Credits		Debits	Credits		Debits	Credits		Debits	Credits		Debits	Credits	
	Net			Net			Net			Net			Net	
1. Merchandise (Exports, f.o.b., Imports c.i.f.)														
(i) Private	40.6	25.1	+15.5	35.0	24.6	+10.4	37.2	24.5	+12.7	36.0	27.3	+8.7	148.8	101.5 +47.3
(ii) Government	0.2	10.8	-10.6	0.2	10.9	-10.7	0.3	13.9	-13.6	0.4	16.3	-15.9	1.1	51.9 -50.8
2. Non-monetary gold movement	—	—	—	—	—	—	—	—	—	—	—	—	—	—
3. Travel	0.1	0.7	-0.6	—	1.0	-1.0	—	0.2	-0.2	—	0.2	-0.2	0.1	2.1 -2.0
4. Transportation	2.9	0.6	+2.3	2.5	0.4	-2.1	2.9	0.4	+2.5	2.5	0.6	+1.9	10.8	2.0 +8.8
5. Insurance	0.4	0.3	+0.1	0.3	0.1	+0.2	0.4	0.1	+0.3	0.3	0.1	+0.2	1.4	0.6 +0.8
6. Investment income	0.1	0.2	-0.1	0.1	—	-0.1	0.1	0.3	-0.2	0.1	1.3	-1.2	0.4	1.8 -1.4
7. Government, not included elsewhere	2.4	0.2	-2.2	0.5	0.3	-0.2	1.1	0.5	-0.6	0.6	0.4	+0.2	4.6	1.4 +3.2
8. Miscellaneous	0.8	1.3	-0.5	0.8	1.8	-1.0	1.9	2.6	-0.7	0.9	1.9	-1.0	4.4	7.6 -3.2
9. Donations	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(i) Official	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(ii) Private	0.3	0.1	-0.2	0.3	0.2	+0.1	0.4	0.1	+0.3	0.4	0.1	+0.3	1.4	0.5 +0.9
10. Total Current Transactions	47.8	39.3	+8.5	39.7	39.3	+0.4	44.3	42.6	+1.7	41.2	48.2	-7.0	173.0	169.4 +3.6

(Crores of Rupees)

REPORT ON CURRENCY AND FINANCE, 1960-61

STATEMENT 78

INDEX NUMBERS OF EXPORTS

(UNIT VALUE INDEX)
(1958=100)

Commodity Heads	1957*	1959	1960	1960											
				Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
I. Food															
1. Fish and Fish preparations	107	101	110	114	111	109	110	109	108	109	112	112	112	107	105
2. Fruits and vegetables	102	94	102	108	101	106	115	102	101	94	95	104	103	95	96
3. Coffee	108	101	117	112	109	112	109	114	117	115	118	120	132	119	125
4. Tea and mate	117	93	87	82	83	99	97	97	93	93	86	89	79	71	70
5. Spices	103	99	103	103	99	96	98	97	99	106	110	110	108	107	104
6. Oilseed cake	107	111	165	186	195	182	190	182	171	155	150	150	138	137	138
II. Beverages and Tobacco	93	118	112	124	124	116	109	111	110	110	112	108	110	107	105
III. Crude materials, inedible except fuels	105	115	107	66	131	205	202	132	82	88	93	67	112	50	60
7. Hides and skins, undressed	111	100	102	106	103	102	104	105	100	101	102	99	97	98	109
8. Wool and other animal hair	93	139	151	178	167	175	201	170	165	151	127	117	120	118	124
9. Cotton, raw and waste	120	105	106	108	104	104	108	112	111	110	110	104	103	97	104
10. Crude minerals excluding coal, petroleum, etc.	136	94	102	90	94	91	97	102	108	115	108	90	94	100	129
11. Metalliferous ores and metal scrap	94	98	100	95	92	101	95	95	102	104	108	107	100	97	106
12. Animal and vegetable crude materials	113	92	91	95	95	90	92	92	90	88	92	89	93	89	92
IV. Mineral Fuels, and Lubricants, etc.	102	102	107	107	110	108	110	107	105	106	105	106	95	111	114
13. Coal and coke	112	103	99	99	108	98	103	102	102	99	91	99	94	104	94
V. Animal and Vegetable Oils and Fats	104	108	103	100	122	98	127	120	97	101	91	92	93	112	88
VI. Chemicals	108	93	100	94	103	99	100	102	101	101	105	101	103	105	91
VII. Manufactured goods classified chiefly by materials	121	116	158	149	119	124	147	154	153	169	173	140	186	186	199
14. Leather and manufactures thereof	102	99	111	102	105	103	104	109	109	112	115	115	115	120	126
15. Textile yarn and thread	97	116	124	125	132	133	129	132	130	122	119	121	116	106	123
16. Cotton fabrics of standard type	106	99	111	102	108	106	106	113	115	116	114	113	102	114	120
17. Fabrics of jute	102	99	113	104	108	112	110	112	114	117	117	120	113	112	118
18. Fabrics of synthetic fibre and spun glass	104	101	118	107	107	107	107	117	118	117	117	121	133	133	136
19. Bags and sacks for packing	62	70	34	37	36	34	33	30	33	36	37	30	32	36	34
20. Floor coverings	104	91	117	99	100	103	104	110	114	117	124	128	125	136	146
VIII. Machinery and Transport Equipment	96	101	102	101	100	103	99	91	104	104	107	109	87	114	106
IX. Miscellaneous manufactured articles	93	93	89	82	90	89	93	90	87	85	93	96	87	86	92
GENERAL	94	105	112	109	84	102	126	128	100	125	125	114	127	92	113
VOLUME INDEX OF TOTAL EXPORTS	105	100	109	107	106	109	110	109	106	109	112	110	111	110	113
TERMS OF TRADE	105	107	101	100	92	101	91	95	95	90	104	99	104	115	127
	135	107	111	108	108	112	107	106	118	112	117	113	118	110	115

*Being the first year of mechanical compilation of trade statistics according to the new classification, the indices for 1957 are not strictly comparable with those of the later years.

Source: Department of Commercial Intelligence and Statistics.

STATEMENT 79

INDEX NUMBERS OF IMPORTS

(UNIT VALUE INDEX)

(1958=100)

Commodity Heads	1957*	1959	1960	1960											
				Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
I. Food	98	96	100	100	102	98	107	103	90	99	104	97	96	100	106
1. Dairy products, eggs and honey	86	79	90	60	90	100	113	98	78	93	119	91	89	82	71
2. Cereals and cereal Preparations	100	95	92	83	99	92	103	95	87	94	98	89	89	92	86
3. Fruits and vegetables	123	105	124	123	109	126	133	137	111	123	128	122	126	120	133
II. Beverages and Tobacco	92	104	101	96	101	103	108	99	100	103	95	105	100	99	109
III. Crude materials etc.	110	94	94	94	97	97	96	95	88	92	91	86	100	88	102
4. Copra	92	119	116	124	130	130	128	120	115	109	107	107	105	104	108
5. Wool and other animal hair	115	86	97	104	97	105	96	100	101	99	96	95	92	89	88
6. Raw cotton other than linters	122	85	87	93	90	91	91	87	80	87	86	78	88	76	92
7. Crude fertilisers	133	97	92	93	90	90	88	90	92	92	92	91	87	100	97
IV. Mineral Fuels, etc.	59	73	89	84	90	86	96	91	92	86	85	86	87	87	94
8. Petroleum crude etc.	43	57	92	84	91	89	97	94	103	88	89	101	93	91	89
9. Petroleum products	92	95	88	85	89	83	96	90	91	84	83	83	87	84	99
V. Animal and Vegetable Oils and Fats	88	100	98	93	103	99	100	90	94	94	97	93	112	106	97
VI. Chemicals	80	83	88	95	82	87	92	89	97	92	86	92	79	93	78
10. Chemical elements and compounds	95	97	88	94	98	86	92	73	92	89	84	92	85	95	79
11. Dyeing, tanning and colouring materials	80	94	108	107	128	108	108	119	105	106	103	106	105	102	100
12. Fertilisers manufactured	82	55	74	88	59	76	59	81	110	75	65	78	57	77	60
VII. Manufactured goods etc.	102	96	101	98	100	103	101	101	103	101	100	103	101	104	102
13. Paper, paperboard etc.	86	95	93	96	94	92	95	92	94	96	94	96	93	88	91
14. Textile yarn and thread	108	95	95	101	98	93	93	96	92	99	99	90	93	97	88
15. Iron and Steel	99	89	95	92	91	96	95	91	96	91	93	98	96	99	98
16. Copper	133	125	135	132	134	138	136	138	137	142	136	137	131	134	127
17. Aluminium	114	98	99	99	106	97	97	98	98	100	101	99	95	99	99
18. Zinc	129	108	128	129	126	130	139	127	131	126	132	126	126	122	122
19. Manufactures of metals	96	115	120	111	134	107	113	130	136	110	112	115	127	116	124
VIII. Machinery etc.	61	98	103	109	105	102	111	119	81	102	101	102	94	107	100
20. Machinery other than electric	60	91	103	108	102	100	106	115	74	103	106	109	96	101	114
21. Electric machinery, etc.	61	115	131	134	105	135	172	193	95	88	131	80	166	173	106
22. Transport equipment	62	104	94	103	114	93	105	100	87	110	81	91	69	106	67
IX. Miscellaneous manufactured articles	70	118	99	112	104	94	102	107	103	107	97	101	68	95	101
GENERAL	78	93	98	99	98	97	103	103	90	97	96	97	94	100	98
Volume Index of Total Imports	151	110	107	88	98	108	110	111	130	105	119	107	107	95	105

*Being the first year of mechanical compilation of trade statistics according to the new classification, the indices for 1957 are not strictly comparable with those of the later years.

Source: Department of Commercial Intelligence and Statistics.

REPORT ON CURRENCY AND FINANCE, 1960-61

STATEMENT 80

IMPORTANT CHANGES IN IMPORT CONTROL POLICY, 1960-61

Item	Month of Announcement	Details
1. Raw cotton	April 1960	Release of a quota of two lakh bales of raw cotton stapling 1-1/16" and above from any area valid for shipment between July 1, 1960 and September 30, 1960. Licences would be granted to user mills on the basis of allotment letters issued by the Textile Commissioner.
"	"	Decision to allow import of Pakistani cotton stapling 1" and below, valid for shipment upto May 31, 1960, for a value of Rs. 50 lakhs in pursuance of the Indo-Pakistan Trade Agreement of March 1960. Licences would be issued to major exporting mills on the strength of allotment letters issued by the Textile Commissioner.
"	August 1960	Decision to permit the immediate import of about 6.7 lakh bales of cotton with a view to relieving the acute shortage of the fibre in the country. Of this, 4.1 lakh bales would be from the United States under P.L. 480 as also 0.5 lakh bales under the State Trading Corporation's barter agreement with the Commodity Credit Corporation of the U.S.A.
"	November 1960	Decision to permit the import of two lakh bales of cotton stapling 1-1/16" and above from any area, valid for shipment upto May 31, 1961. This quantity would be allotted to exporting mills against their retention quota under the export incentive scheme (50,000 bales), to mills consuming cotton stapling 1-1/16" and above but below 1-3/16" on the basis of their quota during the last season (50,000 bales) and to consumers of foreign cotton stapling 1-3/16" and above (one lakh bales), subject to payment of premium of Rs. 160 per bale of cotton stapling 1-3/16" and above and Rs. 120 per bale of cotton stapling 1-1/16"-1-3/16".
"	December 1960	Decision to allow the import of American cotton stapling 1" and below, out of the stocks held by the Commodity Credit Corporation, for an <i>f.o.b.</i> value of \$ 0.55 million in pursuance of the barter deal of the State Trading Corporation. Licences valid for shipment upto April 30, 1961 would be issued on a first-come-first-served basis, subject to an undertaking to sell the cotton to mills nominated by the Textile Commissioner. In March 1961 it was decided to issue licences only to mills on the basis of quota letters issued by the Textile Commissioner instead of on a first-come first served basis.
2. Raw jute	May 1960	Decision to authorise the Jute Commissioner to issue supplementary import licences for long jute and jute cuttings to user mills on the basis of their actual requirements assessed in consultation with the industry.
3. Raw wool	June 1960	Decision to grant on an <i>ad hoc</i> basis additional licences for the import of raw wool, wool tops, shoddy wool and rags to manufacturers of woollen hosiery yarn and shoddy yarn with a view to relieving the general scarcity of these items in the country.
4. Seed potatoes	October 1960	Decision to permit the import of a limited quantity of seed potatoes from Burma on rupee payment during the half year ended March 31, 1961. Imports would be canalised through the State Trading Corporation.
5. Cork manufactures	March 1961	Decision to canalise imports through an agency approved by the Government.
6. Cotton fabrics	November 1960	Import of cotton fabrics banned in April 1960 to be allowed on the basis of a quota of 2½%.
7. Watches	November 1960	Additional quotas of 5% General and 5% Soft to be issued during the half year October 1960 to March 1961.

REPORT ON CURRENCY AND FINANCE, 1960-61

STATEMENT 80—(Contd.)

IMPORTANT CHANGES IN IMPORT CONTROL POLICY, 1960-61—(Contd.)

Item	Month of Announcement	Details
8. Personal baggage	November 1960	Under Rule 5 of the Baggage Rules governing the import of goods by passengers from foreign ports other than Portuguese Possessions in India, Ceylon or Pakistan, a passenger would be allowed to import free of duty at the discretion of the Customs Collector, articles generally treated as baggage, gift articles, and souvenirs, upto an aggregate value of Rs. 1,000. However, within the free allowance a large number of the same type of article or an individual article exceeding Rs. 75 in value would be dutiable though they may be allowed clearance without a licence.
	January 1961	Decision to allow passengers staying out of India continuously for 9 months or more to import on payment of duty but without a licence goods upto an additional value of Rs. 500 provided they constitute <i>bonafide</i> baggage.
9. Imports under the Indo-Afghan Trade Agreement		
(a) Hides and skins	April 1960	Decision to continue the liberal licensing policy for the import of hides and skins from Afghanistan for a further period of 3 months upto June 30, 1960. The liberal licensing policy would continue upto March 31, 1961.
(b) Fruits	August 1960	Approved importers would be permitted to import fresh and dried fruits on an <i>ad hoc</i> basis subject to a subsequent adjustment in quotas in the light of the entitlements under the policy for 1960-61. Orders for fruits should be placed with Afghan exporters after obtaining import permits which would be valid for despatches upto August 31, 1960. Permits would be for a value not exceeding Rs. 15,000 per importer and subject to the condition that these would be matched by exports of an equivalent value. In September it was decided to issue further permit of Rs 15,000 per importer subject to same conditions.
	September 1960	New comers who had exported non-traditional items (i.e. other than cotton textiles, tea, art silk, leather and rubber goods, woollen and imitation <i>zari</i> goods and motor parts) since February, 1960, or who undertake to export to Afghanistan such non-traditional items within eight months from September 1, 1960 would also be permitted to import fruits equal to the value of their exports. Permission for the import of other agreement items, viz., asafoetida, cumin seeds and medicinal herbs was also granted in October 1960.
(c) Fruits, asafoetida, cumin seeds and medicinal herbs	October 1960	Imports would be allowed during the agreement year ending July 21, 1961 by importers who had participated in Indo-Afghan trade in those items during the four years ended June 30, 1956 and are registered as approved importers. Payments would be in accordance with EP/EP1 procedure laid down by the Reserve Bank or through a special rupee account. The importer should also undertake to effect exports of an equivalent value.
"	November 1960	Imports temporarily suspended with effect from 27-11-1960.
"	December 1960	Decision to resume the issue of import permits for these items against applications submitted after November 29, 1960, provided the goods had been despatched from Afghanistan before 27-11-1960.
"	March 1961	Decision to permit further imports during the agreement period ending July 21, 1961. Import permits would be issued for a value of Rs. 15,000 for each importer who had exported goods of the same value or for the value equivalent of such exports if his exports had been for less than Rs. 15,000. It was also decided that clearance of goods from Afghanistan for export to India would be allowed by Afghan authorities only on receipt, of particulars of the goods to be imported against permits granted by the Indian licensing authorities.

REPORT ON CURRENCY AND FINANCE, 1960-61

STATEMENT 80—(Contd.)

IMPORTANT CHANGES IN IMPORT CONTROL POLICY, 1960-61—(Contd.)

Item	Month of Announcement	Details
10. Imports under the Protocol I* to Indo-Pakistan Trade Agreement of March 1960		
Fresh fruits	May 1960	Imports during the half year April-September 1960 to be on <i>ad hoc</i> basis by established importers who had imported fresh fruits from the soft currency area during the period 1945-46 to 1953-54, and from Afghanistan in the 4 years ended June 30, 1956. Licences would also be granted to co-operative societies dealing in fresh fruits on an <i>ad hoc</i> basis.
„	September 1960	The above policy to be continued during the half-year October 1960—March 1961 also.
12 items eg, fresh fruits, betel leaves etc.	December 1960	Decision to grant licences for the import of 12 items (viz., fresh fruits, betel leaves, <i>dhanicha seeds</i> , <i>chuna khari</i> , pearls, eggs and poultry, books and periodicals, gramophone records, films exposed, fish dry and salted, betel nuts, drugs and medicines, mother of pearl shells) against payment in non-convertible Indian rupees. Of these eggs and poultry, fish, betel nuts and crude drugs, would be on a quota basis subject to certain conditions and the rest on an <i>ad hoc</i> basis. Two more items viz. (1) nylon gut and monofilament and (2) fluorspar were added in January 1961.
11. Capital goods	December 1960	Partial modification of the provision that it would be open for importers (a) to ascertain in advance whether a particular form of licensing would be acceptable to Government and (b) to enquire whether imports could be authorised against loans or payment arrangements negotiated by Government. Henceforth all prospective importers wishing to negotiate loans with credit agencies abroad should secure the prior approval of Government before entering into negotiations. Approvals would ordinarily be granted where the value of the equipment proposed to be imported exceeds Rs. 1.5 crores. For smaller schemes, foreign exchange loans would be available from the Industrial Finance Corporation of India, Industrial Credit and Investment Corporation of India, National Small Industries Corporation as well as against foreign exchange loans available to Government and under the special trade and payment arrangements negotiated with foreign countries.
12. Machine tools	March 1961	Machine tools of U.S. origin would be licensed for import against DLF credit on a quota of 50 per cent to established importers in addition to their normal entitlement under the import policy and on an <i>ad hoc</i> basis to actual users and to new comers holding sole agency of a manufacturer of machine tools in the U.S.A.
13. Iron and steel	April 1960	Established importers would be granted a quota of 7½% for industrial scrap, tool and alloy steel (excluding stainless steel sheets, strips and circles), wire of all types and box strappings. Actual users would be granted licences in respect of 17 items including tin plate prime and secondaries, wires of all types, terne plate, box strappings, industrial and rerollable scrap etc. Licences for tool and alloy steel would be issued only to new units to which no import licences were granted in the past and to the old units on the recommendations of the sponsoring authority that the imports were essential to cover their requirements.
„	October 1960	Policy for established importers would be broadly the same as in the preceding year. Actual users would be allowed to import all the items licensed during the preceding licensing period except for rerollable scrap and high tension steel. No licences for stainless steel sheets would be issued but the requirements of utensil manufacturers would be met from imports under barter arrangements.

Note.—*The Protocol *inter alia* provides for payment in non-convertible Indian rupees in respect of specified commodities.

STATEMENT 80—(Concl'd.)**IMPORTANT CHANGES IN IMPORT CONTROL POLICY, 1960-61—(Concl'd.)**

Item	Month of Announcement	Details
14. Open General Licences OGLs for Pakistan		The Open General Licence (OGL LXI) for the import of fish, hides and skins and kapok from Pakistan issued on March 31, 1960 was replaced by OGL LXII and OGL XIII, valid upto September 30, 1960 and March 31, 1961, respectively. The two latter Open General Licences modified OGL LXI by stipulating that payments for kapok should be in non-convertible Indian rupees as provided for in the Protocol to the agreement between India and Pakistan concluded in March 1960.
OGL IV	February 1961	Blueprints and drawings relating to machinery and plant sites, works and buildings which are supplied free of charge and are of no commercial value were included in the items covered by the OGL.
15. Import policy October 1960- March 1961	October 1960	Continuance of the restrictive policy in view of the insistent need to economise foreign exchange. Quotas were reduced in respect of (i) many items of consumer interest (e.g.) wines, whisky, cotton fabrics, sheet and plate glass, time pieces etc. (ii) items with strong indigenous angle e.g., cast iron pipe fittings, copper and brass manufactures, leather belting, house-service meters, paste-board and mill-board, bleaching powder, acetic acid. Within the restrictive frame work of the policy an attempt was made to sustain industrial activity and ensure adequate utilisation of the country's industrial potential. The items licensable to actual users were increased by 15 (the new items include ferro manganese, ferro titanium, silico manganese, panel pins 1" and below, ball bearings 1" and below in bore, knitting machines and linen thread); imports of spare parts of sugar manufacturing as well as earth-moving machinery. A few more items were added to the export promotion scheme, e.g., essence for vegetable and food products, graphites for pencils, art silk and asbestos yarn for gas mantles.
Import Policy April- September 1961	April 1, 1961	In view of the increased indigenous production, stock position and the availability of goods against rupee payment as well as under loan programmes, quotas for about 20 items, e.g., wood working band saws, leather belting, acetic acid, lenses etc. were abolished, while those for over 120 items were reduced e.g., iron and steel pipe fittings, boot and shoe grindery, coal tar dyes, milk food for infants, dates, time-pieces, microscopic items. To the list of items licensable to actual users more items were added, e.g., German silver, nickel silver scrap, industrial sewing machines etc. The main features of the policy are (1) the provision for the grant of additional licences to actual users on the basis of their export performance (2) the abolition of the formal distinction between soft currency and dollar areas for purposes of import licensing and (3) the provision for licensing of emergency spare parts, i.e. spare parts required to prevent a breakdown of production machinery was increased from Rs. 750 to Rs. 2,500.

REPORT ON CURRENCY AND FINANCE, 1960-61

STATEMENT . 81

IMPORTANT EXPORT PROMOTION ANNOUNCEMENTS, 1960-61

Item	Month of Announcement	Details
A. Changes in Control:		
Raw cotton	December 1960	Release of a quota of 50,000 bales of Bengal Deshi cotton valid for export upto August 31, 1961. Of this, 5 per cent was reserved to co-operative societies situated in cotton growing areas and the balance licensed on a first-come-first-served basis subject to a maximum of 10 per cent per shipper from all ports and subject also to production, among others, of a certificate from a cotton textile mill or factory that an equal quantity had been sold to it. Licences to co-operative societies to be issued on the recommendation of the Registrar of Co-operative Societies of the respective States.
"	February 1961	Release of a further quota of 50,000 bales of Bengal Deshi cotton of which 5 per cent was reserved to co-operative societies. Of the balance, 19,000 bales were reserved to shippers, who had already shipped the quotas issued to them under the preceding release. Allotments to such shippers would be upto 40 per cent of the cotton actually delivered to indigenous customers as required in the announcement of December 1960. Other shippers were to be granted licences for export on a first-come-first-served basis.
Tea	April 1960	Decision to continue the relaxation of the operation of sections 19 to 22 of the Tea Act, 1953 with regard to export licences for dust teas during the season ending March 31, 1961. No quota rights would, therefore, be required to cover such licences.
"	May 1960	Tea Board authorised to make an interim release of export quota for 1960-61 to the extent of 55% of the crop of the tea estates and amounting approximately to 187.1 m.kgs.
"	November 1960	Tea Board authorised to make a second interim release of export quota for 1960-61 to the extent of 5% bringing the total so far released to 60% of the crop basis.
"	February 1961	Decision to sanction a final release of export quota for 1960-61 to the extent of 5% bringing the total release to 65%.
"	March 1961	Export of dust teas to all destinations would continue to be licensed without being required to be covered by export quota rights for applications reaching the Tea Board before March 31, 1962.
Manganese ore	October 1960	Decision to extend upto December 31, 1960, the validity of the un-utilised quotas of manganese ore issued for 1959-60.
"	Nov.-Dec., 1960	Export policy for a period of three years from January 1, 1961 to be as follows: (i) All export transactions to be registered with the State Trading Corporation in order to co-ordinate movement capacity according to quantities and schedules of deliveries desired by overseas buyers; (ii) Established shippers and mine-owners to have an opportunity under S.T.C.'s joint marketing arrangements to negotiate, sign, and execute contracts and ship ore as S.T.C.'s agents in respect of quantities placed at their disposal out of the S.T.C.'s quota; (iii) New comers advised to offer tonnage to S.T.C. and export as S.T.C.'s agents. All barter transactions and compensation deals to be handled by S.T.C.; (iv) Individual quotas for established shippers, mine-owners and S.T.C. for 1961 to be same as those for 1957-58; and (v) Quotas for October, November and December 1960 to be on a <i>pro rata</i> basis.

REPORT ON CURRENCY AND FINANCE, 1960-61

STATEMENT 81—(Contd.)

IMPORTANT EXPORT PROMOTION ANNOUNCEMENTS, 1960-61—(Contd.)

Item	Month of Announcement	Details
Raw wool	April 1960	Exports of raw wool during April-September 1960 to be regulated as follows: — (i) Within a ceiling for export on a contract basis: Licences to be issued to all categories of shippers on a first-come-first-served basis, on production of contract and certificate of Agmark grading. (ii) Within a small ceiling for export on a consignment basis: Licences to be issued on a first-come-first-served basis on production of a certificate of Agmark grading. No shipper would be permitted to export more than 100 bales from all ports.
„	October 1960	Exports during October 1960-March 1961 to be on the same basis as above.
Raw goat skins	June 1960	Decision to allow export of raw goat skins by established shippers during the 7 months ended December 31, 1960 upto 66 $\frac{2}{3}$ % of 7/12th of the best year's exports of shippers who had shipped more than 1.5 lakh pieces in any of the calendar years 1954-58 and upto 100 per cent of 7/12th of their basic exports during any one of these years if their exports had not exceeded 1.5 lakh pieces. Applications from shippers who exported in 1959 but had no exports to their credit in the basic period (1954-58) to be considered on merits. Small quota holders to be allowed to combine their shipments with other quota holders.
„	December 1960	Export policy during 1961 (January-December) to be the same as above in principle.
H.P.S. groundnut kernels	June 1960	Validity period for shipment of the quotas of H.P.S. groundnut kernels released in November 1959 extended upto December 31, 1960.
„	July 1960	Decision to grant repeat allotment to established shippers who wish to make further shipments upto 20 per cent of their basic year exports after they had completed shipment against current quotas. Co-operative societies to be given repeat allotments equal to the quantity admissible to them after they had fully utilised their quotas. Shipments to be allowed upto December 31, 1960.
„	September 1960	Second repeat allotment to established shippers and co-operative societies who had fully utilised their quotas subject to the same conditions as above.
„	December 1960	Decision to release a quota of 20,000 tons for export during 1961. Exports to be allowed by all shippers including established shippers and co-operative societies.
„	January 1961	Release of a further quota of 20,000 tons for export in 1961.
H.P.S. groundnuts in shell	April 1960	Validity period for the quota of 2,000 tons released in October 1959 extended by six months upto September 30, 1960. Co-operative societies of growers of groundnuts also to be granted quotas for export to the U. K. and the Netherlands on the basis of the acreage under cultivation during 1957, 1958 or 1959, at the rate of 5 tons per society with an acreage of 10,000 or below, and 10 tons per society with an acreage of more than 10,000.
„	October 1960	Validity of the quotas for shipment further extended till the end of March 1961.

REPORT ON CURRENCY AND FINANCE, 1960-61

STATEMENT 81—(Contd.)

IMPORTANT EXPORT PROMOTION ANNOUNCEMENTS, 1960-61 (Contd.)

Item	Month of Announcement	Details
Groundnut oilcake (expeller variety)	January 1961	Decision to release a quota of 20,000 tons for export upto June 30, 1961 by all shippers on a first-come-first-served basis subject to a maximum of 500 tons per shipper from all ports.
Linseed and coconut oilcakes	September 1960	Decision to release quotas of 50,000 tons of linseed oilcake and 20,000 tons of coconut oilcake during the half-year October 1960-March 1961. Exports to be licensed freely without any ceiling restrictions.
Sugar	September 1960	Release of a quota of 50,000 tons for export through the Indian Sugar Mills' Association before March 31, 1961.
"	January 1961	Release of a further quota of 50,000 tons.
Staple fibre yarn	July 1960	Release of a quota of 1.5 million lbs. for export on a first-come-first-served basis during the half-year July-December 1960. Decontrolled with effect from September 24, 1960.
Essential Oils, kyanite ore, bleaching powder, etc.	September 1960	Decontrolled along with 70 commodities freed from control with effect from September 24, 1960. Others included in the list were graphite, tarwar seeds, bort and industrial diamonds, paraffin wax, phenol, gas engines, cinematograph equipment and green coconuts.
Chillies, rice products, etc.	March 1961	Decision to decontrol along with 20 additional items including, among others, poultry, kardi, niger and sesame seeds etc.

B. Export Incentive Schemes

Cotton textiles	April 1960	Import of hydrogen peroxide to be allowed upto 10 per cent of the face value of licences for import of dyes, chemicals etc. issued for either of the quarters, October-December 1959 or January-March 1960.
"	May 1960	Import entitlements of eligible textile mills for textile machinery other than automatic looms would be 10 per cent of the f.o.b. value of cloth or yarn exported by them after July 1, 1959. Entitlements of mills which had been permitted to import textile machinery in excess of their revised entitlements would be proportionately reduced in the coming quarters.
"	July 1960	Decision to grant, with effect from the quarter April-June 1960, import licences for coal tar, dyes, textile chemicals etc. upto 10 per cent of the f.o.b. value of the exports of ropes, tapes, newar, twine, webbings and braids manufactured out of cotton yarn.
"	September 1960	Decision to widen the scheme to cover fabrics containing yarns of other fibres not exceeding 10 per cent by weight.
"	"	Decision to omit specified textile hosiery items which are exclusively used for sports purposes e.g., sports jerseys, sports stockings, inner gloves of cricket, bathing trunks, badminton balls, golf bags, etc. from the list of items eligible for import entitlements under the cotton textiles export incentive scheme, consequent on their inclusion in the scheme for sports goods.

REPORT ON CURRENCY AND FINANCE, 1960-61

STATEMENT 81—(Contd.)

IMPORTANT EXPORT PROMOTION ANNOUNCEMENTS, 1960-61 (Contd.)

Item	Month of Announcement	Details
Cotton textiles (contd.)	September 1960	Cotton mills whose staple fibre fabrics have been exported would be granted with effect from April 1, 1960, licences for the import of staple fibre upto 66 $\frac{2}{3}$ per cent of the f.o.b. value of their exports.
"	October 1960	Decision to grant, with effect from the quarter July-September 1960, import licences for dyes, chemicals etc. upto 7 $\frac{1}{2}$ % of the f.o.b. value of the exports of water-proof tarpaulins manufactured with cotton cloth as the basic material.
"	"	Decision to include exports of fishing nets in the scheme and grant entitlements for dyes, etc., upto 10 per cent of the f.o.b. value of the exports of fishing nets.
"	November 1960	Decision to increase the retention quotas of mills, other than those manufacturing fine or super fine cloth or yarn of 60 counts and above, in respect of their raw cotton entitlements under the scheme. The quotas would be raised from 25, 22 and 20 per cent to 35, 32 and 30 per cent, respectively, for mills located at a distance of over 400 miles, between 200 to 400 miles and less than 200 miles, respectively, from the ports of Bombay, Madras and Calcutta.
"	"	Decision to permit the import of non-viscose regenerated fibre and synthetic fibre by eligible mills upto 2 per cent of their retention quota for raw cotton, from the quarter ended September 1960. The fibre would be for their own use and not for sale and the yarn manufactured out of the fibre could be sold only for utilisation in the weaving of textile fabrics for export.
"	December 1960	Decision to grant import licences for certain varieties of packing and wrapping paper (viz. tissue and glassine paper) not indigenously available but specially needed for the packing of handloom cloth for export upto 60 per cent of the face value of the entitlements for dyes etc. under the scheme.
"	January 1961	Decision to delete China clay, mutton tallow and solvents used in dyeing and printing from the list of permissible items for import. However, exporting mills would be allowed to import China clay and mutton tallow for their own use upto specific values/quantities on the recommendation of the Textile Commissioner.
"	February 1961	Decision to allow cotton textile mills to import staple fibre of non-viscose origin upto 2 per cent of the value of their retention quota for cotton.
Art silk goods	May 1960	Import licences for artsilk yarn etc., to be granted once a month on the basis of exports effected and payments received in the preceding month, instead of only once a quarter as hitherto.
"	June 1960	Decision to issue advance licences for the import of artsilk yarn for the manufacture of handloom cloth for export. Licences would be issued for a maximum value of Rs. 150 per registered export handloom adjustable in four equal quarterly instalments against the entitlements earned by the licencees, and adjustable, in the event of his inability to earn the entitlement, against his quota as an actual user or from the allocation of indigenous artsilk yarn. According to a decision taken subsequently in November 1960, advance licences were to be issued only once during the half year October 1960-March 1961.

REPORT ON CURRENCY AND FINANCE, 1960-61

STATEMENT 81—(Contd.)

IMPORTANT EXPORT PROMOTION ANNOUNCEMENTS, 1960-61 (Contd.)

Item	Month of Announcement	Details
Artsilk goods (contd.)	July 1960	Import licences against exports of artsilk fabrics to Afghanistan upto July 31, 1960, to be free from any restriction as to currency area for purposes of importing dyes, chemicals etc. Fabrics intended for export but not actually exported by the end of July, also to be eligible for entitlement provided they had been duly inspected, packed and sealed under the supervision of the inspecting authority.
„	August 1960	Decision to include lungies, chadders, shawls, handkerchiefs, etc., of artsilk in the list of items qualifying for import licences for artsilk yarn upto 100 per cent of the f.o.b. value of their exports from the July-September 1960 quarter.
„	September 1960	Decision not to permit adjustments or accumulations of import entitlements in respect of quarters in which no exports had taken place.
Vanaspati	December 1960	Validity of the scheme announced in November 1959 extended by three months upto December 31, 1960.
„	March 1961	Under the revised incentive scheme for January-June 1961, import licences would be issued to manufacturer exporters of vanaspati and/or hydrogenated groundnut oil: (1) one ton of copra against each ton of vanaspati exported and (2) chemicals and spare parts, components, machinery etc. as are essential and not indigenously available, upto 5 per cent of the f.o.b. value of vanaspati exported. This will be in addition to the advance and replenishment quotas for tin plate.
Woollen goods	April 1960	Decision to introduce a revised scheme from April 1, 1960 under which exporters of carpets, rugs and druggets registered with the All-India Handicrafts Board would be granted import entitlements for raw wool, wool tops or shoddy wool upto 10-20% of the f.o.b. value of their exports on the basis of the knots contained in the items, and dyes and chemicals upto 5% of the f.o.b. value of their exports. Exporters of other woollen goods registered with the Development Council for woollen goods would be granted entitlements as follows:
<i>Items of Export</i>		<i>Entitlements</i>
	<i>Raw wool, wool tops or shoddy wool</i>	<i>Dyes, chemicals etc.</i>
		<i>Other items</i>
Woollen shawls	50%	—
Woollen garments	50%	—
		2½% (for zip fasteners, buttons and sewing thread)
Other woollen textiles, hosiery yarn	75%	10%
		Entitlements for dyes etc. can also be utilised for machinery and spare parts, zip fasteners, buttons and sewing thread.

STATEMENT 81—(Contd.)

IMPORTANT EXPORT PROMOTION ANNOUNCEMENTS, 1960-61 (Contd.)

Item	Month of Announcement	Details
Sca food and frog legs	January 1961	This scheme, which replaces the existing scheme for the supply of tin plates against exports of tinned fish announced in June 1959, is effective from October 1, 1960, and provides for the grant of import entitlements for nine items in addition to replenishment quotas for tin plates and box strappings. The quantum of entitlements for fibre board and cases, cartons etc. of fibre board would be related to the quantum of specified categories of sea foods and frog legs, exported during the preceding half year while that for cellophane paper would be <i>ad hoc</i> to cover the actual quantity used and that for marine diesel engines, on the recommendation of the Fisheries Development Adviser. Additional entitlements equal to 10% of the excess exports over those of the preceding year, and advance allocations on a loan basis to enable exporters to fulfil commitments for increased exports would also be granted.
Baling hoops and box strappings	February 1961	The scheme provides for the grant of replenishment quotas for baling hoops and box strappings for packing, required by exporters, in respect of their exports on or after October 1, 1960. Manufacturers of goods should apply in their capacity as actual users, through the Commodity Boards/Export Promotion Councils/Development Wing of the Ministry of Commerce and Industry/State Directors of Industries or such other authority with whom they are registered for the supply of materials. Other exporters should apply through sponsoring authorities specified for the purpose.
Fruit products, biscuits and confectionery		The scheme has been introduced, for promoting the exports of fruit products (excluding mango chutney), biscuits and confectionery through the State Trading Corporation which helps the industry to make up the difference between the internal and international prices of sugar used in the manufacture of the above items.
Tobacco unmanufactured	June 1960	Exporters of unmanufactured tobacco registered with the Tobacco Export Promotion Council would be supplied with (a) indigenous materials like soft galvanised wire for packing tobacco, hoop iron and coal for flue-curing and (b) imported materials like garrad wire for packing, laboratory and pest-control equipment, etc., required by them.
Coir Products	February 1961	Manufacturer exporters of coir goods registered with the Coir Board would be granted import entitlements for fulfilling agreed export targets as follows:

Item of Export	Entitlements		
(1)	Dyes and chemicals (2)	Sisal yarn or sisal fibre (3)	Manila and/or hemp (4)
1. Dyed coir yarn			
(a) spun on spindles/ratts	24% (5%)	—	—
(b) spun on hand-operated machines approved by the Coir Board	3% (6%)	—	—
2. Coir matting including rugs and carpets with yarn spun on			

REPORT ON CURRENCY AND FINANCE, 1960-61

STATEMENT 81—(Contd.)

IMPORTANT EXPORT PROMOTION ANNOUNCEMENTS, 1960-61 (Contd.)

Item	Month of Announcement	Details			
		(1)	(2)	(3)	(4)
Coir Products (Contd.)	February 1961	(a) spindles/ratts	2% (4%)	actual quantity required for manufacturing for export	—
		(b) hand-operated machines approved by the Board	2½% (5%)		
		3. Coir mats	½% (1%)	"	—
		4. Coir ropes	—	—	(5%)
		5. Other items	—	(1%)	—

Note:—Percentages in brackets indicate the entitlements granted against exports in excess of agreed targets i. e., basic exports.

Groundnut oil and groundnut oilcake	May 1960	Decision to consider on merits applications from established shippers for the export of groundnut oil linked with the export of groundnut oilcake.
Groundnut and salad oils and groundnut oilcake	June 1960	Export of groundnut oilcake to be allowed upto September 30, 1960 at the rate of 3½ tons and 4 tons, respectively, for each ton of groundnut and salad oils exported by established shippers upto December 1959, against October/November 1959 contracts.
"	October 1960	Decision to invite tenders from exporters of groundnut and salad oils indicating, among other things, the quantity of the oils they would undertake to export, the quantity of copra and palm oil desired to be imported against the exports of the oils. Import quotas for copra and palm oils to be in addition to the existing export quotas of 3½ and 4 tons of groundnut oil cake expeller variety for each ton of groundnut and salad oils exported by them.
Groundnut oil and tapioca flour	December 1960	Established importers of betel nuts, cloves, etc. should, within six months of their importing, export groundnut oil or tapioca flour on the following basis:

Imports		Exports	
Item	Quantity	Groundnut oil	Tapioca flour
Cassia and cinnamon	2.5 cwts.	1 ton	8 tons
Cloves	"	"	8 "
Mace	"	2 tons	16 "
Betelnuts	7.5 cwts.	1 ton	8 "

Imports of Rs. 500 and less will not be subject to the above conditions.

STATEMENT 81—(Contd.)

IMPORTANT EXPORT PROMOTION ANNOUNCEMENTS. 1960-61 (Contd.)

C. Other Export Promotion Measures:

(i) **Grant of drawback of customs duty on materials used in the manufacture of the commodities exported:** To the list of items eligible for the drawback, silk fabrics were added in April, iron castings, and fabrics containing lux yarn in June, electrical accessories in July, gauze mesh netting, chain link fencing manufactured out of galvanised iron wire, panel pins and railway track materials in September, coir products in October, laminated safety glass, mirrors and zip fasteners in November, beer and toys fitted with magnets in December 1960, stearic acid in January 1961, napkins, toilet paper and drinking straw made of imported paper in February 1961 and shrimp cartons for packing sea food in March 1961.

(ii) **Rebates of customs and Central excise duties paid on imported and excisable materials used in the manufacture of the goods exported:** The rebate was announced in respect of fabrics containing noil yarn and tennis or badminton rackets strung with nylon guts in April, electric motors and paper laminated hessian bags in June and petrol pumps and gas plants, tin plate products (viz. advertisement tablets, trays, match box covers, desk pads, screw caps and necks, stove clearing needles and components of tin containers) in September 1960.

(iii) **Rebate of Central excise duty paid on indigenous materials used in the manufacture of exported goods:** The rebate was granted to asbestos cement products in April and yard material in September 1960.

(iv) **Permission for manufacture in bond for export** was granted in respect of screen printing and furnishing materials in July, 'yard material,' known as dress material in September 1960, artsilk ties in November 1960, hookah tobacco in January 1961 and uncut synthetic stones in February 1961.

(v) The Export Risks Insurance Corporation decided, towards end of 1960, to cover risks involved in packing credits, i.e., pre-shipment credits given by banks to purchase and/or manufacture goods for export.

(vi) **Liberalisation of the Bill Market Schemes:** With reference to export bills, the scheme was further liberalised by (a) reducing the minimum amount of an individual usance promissory note to be lodged with the R.B.I. from Rs. 10,000 to Rs. 5,000, (b) withdrawing the stipulation requiring banks to ensure that the parties concerned either cover the exchange risks or maintain the specified margins in the relative loan accounts and (c) waiving the stipulation that export bills held by banks as security in the relevant loan accounts intended for conversion into time bills should have a usance of not more than 90 days.

(vii) A tentative scheme for the setting up of a free trade zone at Kandla was announced in April 1960. The scheme envisages the cordoning off of a small area at the port with high barbed wire fencing and providing facilities therein for the establishment of industries manufacturing finished goods for export out of raw materials and semi-processed goods imported without payment of import duty. Also certain types of finished goods imported from foreign countries could be stored and re-exported to neighbouring countries. Movement of merchandise from the free trade zone to other parts of the country would be subject to normal import restrictions and to payment of customs and Central excise duties at current rates.

(viii) In April 1960 the Standing Committee of the Export Promotion Advisory Council unanimously approved the proposal to set up three or four well organised export houses for expanding the country's exports. The export houses would *inter alia* undertake in a pioneering effort the export of specified items—particularly difficult and non traditional ones—even at a loss and cover such losses out of profits in other lines. The export houses will be given the same concessions and facilities as are at present allowed to other exporters. The recommendation was accepted by Government in October 1960.

(ix) **Scheme for enrolment of exporters,** announced in February 1961, envisages grant of certain privileges to registered exporters e.g., special treatment in respect of raw material supplies under the various export incentive schemes, introduction to foreign importers by trade commissioners and to visiting overseas buyers. In return, the exporters are to observe certain minimum standards in the conduct of business.

(x) An *ad hoc* Committee on quality control and preshipment inspection was set up in December 1960 under the chairmanship of the Director, Indian Standards Institution to review existing regulations regarding quality control and preshipment inspection in India, to study the mechanics of quality control in foreign countries, to examine trade practices in respect of various export goods and to suggest measures for improving the quality of goods exported from India.*

* The committee has since submitted its report to the Government.

REPORT ON CURRENCY AND FINANCE, 1960-61

STATEMENT 82

INDIA'S FOREIGN TRADE

(Lakhs of Rupees)

Year/Month			Imports (-) 1	Exports (+) 2	Balance of trade 3
1950-51	..	..	650,43	600,68	— 49,75
1955-56	..	..	774,35	608,91	— 165,44
1956-57	..	..	902,91	619,62	— 283,29
1957-58	..	..	1,036,40	635,14	— 401,26
1958-59	..	..	903,64	572,64	— 331,00
1959-60	..	..	956,31	639,36	— 316,95
1960-61	..	..	1,003,20	648,33	— 354,87
April	1959	..	83,30	44,53	— 38,77
May	..	..	66,93	43,93	— 23,00
June	..	..	81,39	42,92	— 38,47
July	..	..	67,34	50,86	— 16,48
August	..	..	61,83	57,21	— 4,62
September	..	..	70,30	58,52	— 11,78
October	..	..	66,39	59,87	— 6,51
November	..	..	71,04	60,69	— 10,34
December	..	..	69,78	69,57	— 22
January	1960	..	70,74	51,35	— 19,39
February	..	..	78,44	48,75	— 29,68
March	..	..	96,26	52,87	— 43,39
April	..	..	98,54	46,61	— 51,93
May	..	..	92,90	49,79	— 43,11
June	..	..	94,64	47,10	— 47,54
July	..	..	83,32	45,98	— 37,34
August	..	..	90,84	55,34	— 35,50
September	..	..	87,40	50,95	— 36,45
October	..	..	72,87	55,54	— 17,33
November	..	..	68,92	61,96	— 6,96
December	..	..	74,97	69,94	— 5,03
January	1961	..	83,87	54,34	— 29,53
February	..	..	73,50	53,42	— 20,08
March	..	..	81,43	57,36	— 24,07

Note :—Total sea, air and land trade but excludes land trade with Nepal, Tibet, Sikkim and Bhutan. Transit and transshipment trade and ships' stores are excluded ; includes treasure-gold throughout the period and silver upto December 1956. From January 1957 silver is included under merchandise. Imports are based on general system of recording and include parcel post and dutiable articles of passengers' baggage and letterpost. Exclude certain consignments of foodgrains, and stores imported on Government account awaiting adjustment. Exports include re-exports and parcel post but exclude passengers' baggage and letterpost. Imports are on *c.i.f.* basis and exports on *f.o.b.* basis inclusive of export duty. As the monthly figures do not incorporate revisions they do not add up to the annual totals, the latter being revised.

Source :—*Monthly Statistics of the Foreign Trade of India* and the supplements thereto and *Monthly Press Notes* issued by the Department of Commercial Intelligence and Statistics.

DIRECTION OF INDIA'S FOREIGN TRADE

(Lakhs of Rupees)

[illegible]

Year/Quarter	WESTERN EUROPE														
	TOTAL			U.K.			E.E.C. COUNTRIES			E.F.T.A. COUNTRIES (other than U.K.)			OTHERS		
	Imports (-)	Exports (+)	Balance	Imports (-)	Exports (+)	Balance	Imports (-)	Exports (+)	Balance	Imports (-)	Exports (+)	Balance	Imports (-)	Exports (+)	Balance
	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27
1959-60															
April-June 1959	4,14.27	2,46.36	-1,67.91	1,94.30	1,78.85	-15.45	1,91.11	49.97	-1,41.14	25.69	6.81	-18.88	3.17	10.73	7.56
July-September 1959	1,13.29	46.73	-66.56	48.16	32.03	-16.13	58.73	11.19	-47.54	5.71	1.78	-3.93	69	1.73	1,104
October-December 1959	96.69	62.30	-34.39	47.08	46.70	-38	43.08	11.28	-31.80	5.97	1.61	-4.36	56	2.71	2,215
January-March 1960	1,00.48	78.63	-21.85	47.21	58.30	+11.09	45.71	15.10	-30.61	6.55	1.67	-4.88	1,01	3.56	2,555
	1,03.81	58.70	-45.11	51.85	41.82	-10.03	43.59	12.40	-31.19	7.46	1.75	-5.71	91	2.73	1,182
1960-61															
April-June 1960	4,41.11	2,40.10	-2,01.01	2,11.60	1,72.61	-38.99	1,95.28	51.77	-1,43.51	29.90	6.01	-23.89	4.33	9.71	+5.38
July-September 1960	1,14.50	47.63	-66.87	54.62	33.07	-21.55	51.85	11.42	-40.43	7.24	1.35	-5.89	79	1.79	+1,00
October-December 1960	1,04.33	56.27	-48.06	47.93	42.45	-5.48	47.31	10.55	-36.76	7.88	1.30	-6.58	1,21	1.97	+76
January-March 1961	99.39	77.20	-22.19	50.07	57.06	+6.99	42.17	14.54	-27.63	6.10	1.83	-4.27	1,05	3.77	+2,72
	1,22.89	59.00	-63.89	58.98	40.03	-18.95	53.95	15.26	-38.69	8.68	1.53	-7.15	1,28	2.18	+90

STATEMENT 83 (Contd.)

DIRECTION OF INDIA'S FOREIGN TRADE

Year/Quarter	EASTERN EUROPE										MIDDLE EAST			
	TOTAL					U.S.S.R.					OTHERS			
	Imports		Exports		Balance	Imports		Exports		Balance	Imports		Exports	
	(-)	(+)	(-)	(+)		(-)	(+)	(-)	(+)		(-)	(+)	(-)	(+)
1959-60	28	29	30	31	32	33	34	35	36	37	38	39		
April-June 1959	35.43	49.08	+ 13.65	17.19	30.38	+ 13.19	18.24	18.70	+ 46	97.15	55.58	- 41.57		
July-September 1959	9.52	11.41	+ 1.89	3.56	6.90	+ 3.34	5.96	4.51	- 1.45	19.97	10.59	- 9.38		
October-December 1959	9.47	10.31	+ .84	4.83	6.87	+ 2.04	4.64	3.44	- 1.20	19.70	12.51	- 7.19		
January-March 1960	9.27	15.28	- 6.01	5.99	10.25	+ 4.26	3.28	5.03	- 1.75	30.80	19.14	- 11.66		
1960-61	7.17	12.08	+ 4.91	2.81	6.36	+ 3.55	4.36	5.72	+ 1.36	26.68	13.34	- 13.34		
April-June 1960	43.34	49.37	- 6.03	15.21	28.84	+ 13.63	28.13	20.53	- 7.60	82.63	53.12	- 29.51		
July-September 1960	8.29	14.36	+ 6.07	2.64	8.69	+ 6.05	5.65	5.67	+ 2	21.39	11.44	- 9.95		
October-December 1960	10.92	9.82	- 1.10	4.61	6.84	+ 2.23	6.31	2.98	- 3.33	20.59	10.86	- 9.73		
January-March 1961	10.26	13.10	- 2.84	3.23	8.06	+ 4.83	7.03	5.04	- 1.99	22.51	16.24	- 6.27		
	13.87	12.09	- 1.78	4.73	5.25	+ .52	9.14	6.84	- 2.30	18.14	14.58	- 3.56		

Year/Quarter	OTHER ASIA (Excluding U.S.S.R.)										OCEANIA			
	TOTAL					SOUTH EAST					FAR EAST			
	Imports		Exports		Balance	Imports		Exports		Balance	Imports		Exports	
	(-)	(+)	(-)	(+)		(-)	(+)	(-)	(+)		(-)	(+)	(-)	(+)
1959-60	40	41	42	43	44	45	46	47	48	49	50	51	52	53
April-June 1959	40.47	19.76	- 20.71	1,10.92	1,15.29	+ 4.37	19.85	34.50	+ 14.65	91.07	80.79	- 10.28	20.74	24.78
July-September 1959	10.34	4.58	- 5.76	21.70	25.01	+ 3.31	2.63	7.60	+ 4.97	19.07	17.41	- 1.66	4.43	5.46
October-December 1959	8.54	5.22	- 3.32	26.16	31.72	+ 5.56	4.22	8.87	+ 4.65	21.94	22.85	+ .91	2.96	7.77
January-March 1960	9.57	5.13	- 4.44	30.14	32.22	+ 2.08	6.30	9.23	+ 2.93	23.84	22.99	- .85	4.39	6.03
1960-61	12.02	4.83	- 7.19	32.92	26.34	- 6.58	6.70	8.80	+ 2.10	26.22	17.54	- 8.68	8.94	5.52
April-June 1960	44.87	23.37	- 21.50	1,28.21	1,07.34	- 20.87	23.21	35.50	+ 12.29	1,05.00	71.84	- 33.16	19.03	30.80
July-September 1960	13.51	5.11	- 8.40	32.28	28.47	- 3.81	5.15	7.62	+ 2.47	27.13	20.85	- 6.28	3.71	6.60
October-December 1960	10.64	5.55	- 5.09	31.20	23.76	- 7.44	4.45	8.20	+ 3.75	26.75	15.56	- 11.19	6.50	9.81
January-March 1961	11.68	6.00	- 5.68	36.78	27.25	- 9.53	7.90	10.21	+ 2.31	28.88	17.04	- 11.84	4.86	8.63
	9.04	6.71	- 2.33	27.95	27.86	- .9	5.71	9.47	+ 3.76	22.24	18.39	- 3.85	3.96	5.76

Note :—The scope and coverage of the Statement are the same as those for Statement 82 except for the exclusion of treasure. Trade statistics are classified according to countries to which imports and exports are credited, i.e. imports to the country of consignment and exports to the country of final destination and these countries are classified on a politico-geographic basis. Total figures shown in the Statement may not agree with those in Statement 82 as the former takes into account the latest revisions. Revisions in the total figures are carried out by the D.G.C.I. & S. as and when details become available.

Source : Monthly Statistics of the Foreign Trade of India, issued by the Department of Commercial Intelligence and Statistics, Government of India.

REPORT ON CURRENCY AND FINANCE, 1960-61

STATEMENT 84

INDIA'S IMPORTS OF PRINCIPAL COMMODITIES

(Lakhs of Rupees)

Commodities	April- June 1959	July- Sept 1959	Oct - Dec 1959	Jan.- March 1960	1959-60	April- June 1960	July- Sept. 1960	Oct.- Dec 1960	Jan - March 1961	1960-61
I. FOOD	49,52	42,54	38,99	49,86	180,91	23,14	43,13	39,72	71,18	1,77,17
1 Cereals and cereal preparations	44,35	35,73	28,51	40,95	149,54	17,75	38,47	28,49	60,15	1,44,86
(i) Wheat	42,27	29,07	24,74	33,70	129,78	12,42	32,15	24,81	51,79	1,21,17
(ii) Rice	65	5,25	3,66	6,78	16,34	4,51	4,30	3,13	6,94	18,88
(iii) Others	1,43	1,41	11	47	3,42	82	2,02	55	1,42	4,81
2. Cashewnuts	91	82	2,11	3,42	7,26	1,72	35	2,58	4,96	9,61
3. Spices	33	93	41	68	2,35	42	60	49	32	1,83
4 Others	3,93	5,06	7,96	4,81	21,76	3,25	3,71	8,16	5,75	20,87
II. Beverages and Tobacco	54	50	15	15	1,34	19	32	16	12	79
1. Tobacco Unmanufactured	35	38	—	—	73	3	20	—	—	23
III. Crude Materials, Inedible except fuels	27,51	24,79	22,15	32,02	106,47	44,32	44,84	30,16	33,85	1,53,17
1. Hides and Skins(raw)	31	52	49	56	1,88	72	67	60	48	2,47
2. Copra	1,44	3,58	3,20	2,69	10,91	2,57	3,63	3,08	2,36	11,64
3 Crude Rubber	1,26	2,13	1,80	2,24	7,43	2,97	2,82	2,97	2,03	10,79
4 Cotton (raw)(a)	13,08	9,02	6,51	12,62	41,23	25,66	25,40	9,37	21,31	81,74
5. Jute (raw) (b)	32	27	59	2,24	3,42	2,06	1,24	2,40	1,94	7,64
6. Wool (raw) (c)	3,09	2,17	1,59	2,83	9,68	2,99	2,77	2,11	2,54	10,41
7. Others	8,01	7,10	7,97	8,84	31,92	7,35	8,31	9,63	3,19	28,48
IV. Mineral Fuels, Lubricants and Related Materials	15,60	18,62	29,10	23,52	86,84	16,74	16,33	21,85	14,58	69,50
1. Petroleum crude and partly refined	2,95	27	4,47	9,86	17,55	1,88	4,51	6,66	7,10	20,15
2 Kerosene	2,90	5,47	10,37	4,84	23,58	6,91	4,78	5,44	5,67	22,80
3. Other Petroleum products	9,74	12,85	14,23	8,82	45,64	7,94	7,02	9,73	1,78	26,47
4. Others	1	3	3	—	7	1	2	2	3	8
V. Animal and Vegetable Oils and Fats	1,35	1,26	1,26	1,23	5,10	1,42	1,19	1,51	48	4,60

REPORT ON CURRENCY AND FINANCE, 1960-61

STATEMENT 84—(Contd.)

INDIA'S IMPORTS OF PRINCIPAL COMMODITIES

(Lakhs of Rupees)

Commodities	April- June 1959	July- Sept. 1959	Oct.- Dec. 1959	Jan.- March 1960	1959-60	April- June 1960	July- Sept. 1960	Oct.- Dec. 1960	Jan.- March 1961	1960-61
VI. Chemicals	25,37	23,26	20,92	22,93	92,48	21,40	21,47	20,52	22,47	85,86
1. Chemical Elements and Compounds ..	12,15	10,60	11,05	10,56	44,36	10,36	10,78	8,18	9,63	38,95
2. Dyeing, Tanning and Colouring materials ..	2,16	2,84	2,47	2,54	10,01	3,06	3,39	3,20	3,30	12,95
3. Medicinal, Pharmaceutical products ..	2,28	2,53	2,06	2,84	9,71	3,07	2,82	2,22	2,30	10,41
4. Fertilizers manufactured	5,47	4,47	2,39	3,99	16,32	1,52	1,30	3,46	4,39	10,67
5. Others	3,31	2,82	2,95	3,00	12,08	3,39	3,18	1,46	2,85	12,88
VII. Manufactured Goods ..	53,33	38,93	47,95	47,79	188,00	57,33	58,90	56,35	56,29	2,28,87
1. Paper and paperboards & Manufactures thereof	2,26	3,04	2,77	3,16	11,23	2,75	3,63	2,20	3,16	11,74
(i) Newsprint ..	1,19	1,90	1,59	1,87	6,55	1,57	1,72	1,03	1,63	5,95
2. Artsilk yarn and thread	3,96	2,26	2,68	3,48	12,38	3,60	3,91	2,71	3,43	13,65
3. Iron and Steel ..	27,23	14,99	20,16	21,91	84,29	28,60	30,63	30,51	30,56	1,20,30
4. Non-ferrous metals ..	8,71	9,01	11,04	10,05	38,81	12,42	13,17	12,09	9,42	47,10
5. Metal manufactures ..	7,08	5,59	6,54	5,67	24,88	6,03	3,80	4,39	6,24	20,46
6. Others	4,09	4,04	4,76	3,52	16,41	3,93	3,76	4,45	3,48	15,62
VIII. Machinery and Transport Equipment ..	76,00	66,33	69,55	67,46	2,79,34	80,07	73,16	74,31	99,16	3,26,70
1. Machinery other than electric ..	37,40	35,06	42,33	40,01	1,54,80	46,94	47,10	45,50	61,77	2,01,31
2. Electric machinery apparatus and appliances	12,88	14,52	13,12	12,63	53,15	15,37	12,25	13,78	14,75	56,15
3. Transport equipment ..	25,72	16,75	14,10	14,82	71,39	17,76	13,81	15,03	22,64	69,24
(i) Railway Vehicles	14,05	3,54	2,36	3,79	23,74	7,61	3,41	3,25	9,73	24,00
(ii) Others	11,67	13,21	11,74	11,03	47,65	10,15	10,40	11,78	12,91	45,24
IX. Miscellaneous Manufactured Articles ..	3,27	4,64	3,47	4,11	15,49	3,49	4,47	4,11	4,52	16,59
Grand Total(d) ..	2,53,73	2,21,95	2,34,67	2,50,42	9,60,77	2,49,69	2,66,16	2,50,24	3,04,07	10,70,16

Note:—(a) Other than linters. (b) Includes cuttings and waste. (c) Includes other animal hair. (d) Includes 'Miscellaneous transactions and commodities' and excludes (i) the value of treasure imports and (ii) articles under reference (1960-61).

The scope and coverage of the statement are the same as those for statement 82 except for the exclusion of treasure. Total figures shown in this statement will not agree with those in statement 82 as the former takes into account the latest revisions. Revisions in the total figures are carried out by the D. G. C. I. & S. as and when details become available.

Source:—Monthly Statistics of the Foreign Trade of India published by the Department of Commercial Intelligence and Statistics.

REPORT ON CURRENCY AND FINANCE, 1960-61

STATEMENT 85

INDIA'S EXPORTS (a) OF PRINCIPAL COMMODITIES

(Lakhs of Rupees)

	April- June 1959	July- Sept. 1959	Oct.- Dec. 1959	Jan.- March 1960	April- 1959- March 1960	April- June 1960	July- Sept. 1960	Oct.- Dec.- 1960	Jan.- March 1961	April 1960- March 1961
Food										
Total	31,50	57,04	69,09	44,76	2,02,39	29,94	48,30	70,17	49,85	1,98,26
Cashew kernel	3,62	4,70	3,39	4,34	16,05	4,98	4,80	4,25	4,88	18,91
Coffee	2,73	1,10	1,08	1,42	6,33	2,41	77	2,11	1,93	7,22
Tea (Black)	16,49	39,72	49,40	23,00	1,28,61	12,21	34,13	50,75	25,52	1,22,61
Pepper (Black)	27	1,05	2,31	4,54	8,17	2,26	1,32	1,99	2,93	8,50
Oilcakes	3,01	5,32	6,88	5,87	21,08	3,01	3,02	4,22	4,05	14,30
Others	5,38	5,15	6,03	5,59	22,15	5,07	4,26	6,85	10,54	26,72
Beverages and Tobacco										
Total	5,80	2,03	1,11	5,62	14,56	6,80	2,03	1,22	5,72	15,77
Tobacco Unmanufactured	5,59	1,73	82	5,39	13,53	6,51	1,75	99	5,36	14,61
Others	21	30	29	23	1,03	29	28	23	36	1,16
Crude Materials, Inedible Except Fuels										
Total	28,67	28,83	30,25	29,94	1,17,69	32,21	20,55	28,62	30,56	1,11,94
Hides and skins (raw)	2,42	2,54	3,08	3,19	11,23	3,00	1,59	2,36	2,52	9,47
Wool and other animal hair	2,83	2,97	3,76	2,65	12,21	2,70	1,23	2,09	1,72	7,74
Cotton (raw and waste)	3,92	4,76	2,87	2,94	14,49	2,74	1,74	3,31	3,78	11,57
Mica	2,60	2,65	2,65	2,14	10,04	2,46	2,77	2,44	2,48	10,15
Iron ore (Including concen- trates)	3,98	2,93	3,38	4,30	14,59	5,16	2,03	4,78	4,81	16,78
Manganese Ore (Including concentrates)	3,68	3,22	2,50	2,59	11,99	4,51	3,90	3,00	2,65	14,06
Lac	1,32	1,61	1,57	1,79	6,29	1,92	1,04	1,65	1,71	6,32
Others	7,92	8,15	10,44	10,34	36,85	9,72	6,25	8,99	10,89	35,85
Mineral Fuels, Lubricants and Related Materials: Total	1,82	2,01	1,80	2,53	8,16	1,95	1,54	2,76	1,18	7,43
Animal and Vegetable Oils and Fats										
Total	3,09	3,76	6,50	2,38	15,73	4,19	2,59	1,92	1,07	9,77
Vegetable Oils	2,95	3,41	6,25	2,20	14,81	4,00	2,14	1,58	79	8,51
Others	14	35	25	18	92	19	45	34	28	1,26
Chemicals: Total	1,03	1,45	1,39	1,57	5,44	1,47	2,00	1,91	1,81	7,19
Manufactured Goods										
Total	51,96	64,18	71,11	57,65	2,44,90	65,30	65,26	68,99	64,86	2,64,41
Leather	7,11	8,00	8,20	7,14	30,45	6,81	5,59	6,11	6,34	24,85
Cotton textiles	11,79	15,88	21,24	15,36	64,27	14,20	14,21	14,64	14,61	57,66
Jute Textiles } Cloth	14,99	17,67	16,65	16,01	65,32	18,86	18,12	20,70	16,69	74,37
} Bags & sacks	8,86	13,84	12,30	8,68	43,68	13,22	18,41	16,27	9,45	57,35
Woollen Carpets and rugs	1,16	1,31	1,26	1,19	4,92	1,08	1,17	1,40	1,14	4,79
Art silk manufactures	30	57	79	67	2,33	1,07	1,24	1,28	35	3,94
Cement	25	27	20	21	93	22	11	19	12	64
Iron and steel	41	36	79	43	1,99	2,40	2,19	3,17	2,03	9,79
Others	7,09	6,28	9,68	7,96	31,01	7,44	4,22	5,23	14,13	31,02
Machinery and Transport Equipment: Total	2,48	75	2,78	3,76	9,77(c)	1,58	1,56	2,75	1,31	7,20(c)
Total Exports (b)	1,31,60	1,65,48	1,89,32	1,53,25	6,39,65	1,49,31	1,49,36	1,83,22	1,60,90	6,42,79

(a) Include re-exports. (b) Include Miscellaneous transactions and commodities but exclude value of articles under reference. (c) Of these, engineering goods such as sewing machines, electric fans, diesel engines, dry batteries and bicycles amounted to Rs. 1,44 lakhs during 1959-60 and Rs. 1,82 lakhs during 1960-61.

Note:—Figures are provisional.

The scope and coverage of the Statement are the same as those for Statement 82 except for the exclusion of treasure. Total figures shown in this Statement will not agree with those in Statement 82 as the former takes into account the latest revisions. Revisions in the total figures are carried out by the D. G. C. I. & S. as and when details become available.

Source: *Monthly Statistics of the Foreign Trade of India* issued by the Department of Commercial Intelligence and Statistics, Government of India.

REPORT ON CURRENCY AND FINANCE, 1960-61

STATEMENT 86

EXPORTS OF TEA (BLACK) TO PRINCIPAL COUNTRIES

(Lakhs of Rupees)

Countries			April- June 1959	July- Sept. 1959	Oct.- Dec. 1959	Jan.- March 1960	April 1959- March 1960	April- June 1960	July- Sept. 1960	Oct.- Dec. 1960	Jan.- March 1961	April 1960- March 1961
Africa												
Egypt	..	..	1,02	97	2,27	2,80	7,06	1,50	1,00	2,72	1,95	7,17
Sudan	..	..	1,28	1,75	1,58	13	4,74	32	78	84	72	2,66
America, North												
Canada	..	..	76	1,36	1,18	1,39	4,69	36	1,33	1,51	1,22	4,42
U.S.A.	..	..	74	1,78	2,03	1,60	6,15	52	1,37	1,79	1,59	5,27
America, South												
Chile	..	..	11	3	10	11	35	8	5	10	11	34
Asia												
Afghanistan	..	..	5	9	22	22	58	17	17	29	24	87
Bahrein	..	..	9	5	11	12	37	8	4	5	10	27
Iran	..	..	31	84	89	61	2,65	21	92	1,00	1,10	3,23
Iraq	..	..	11	13	32	33	89	20	28	40	26	1,14
Kuwait	..	..	18	8	11	18	55	11	11	14	10	46
Saudi Arabia	..	..	7	6	6	4	23	2	3	5	2	12
Trucial Oman	..	..	12	11	17	16	56	14	8	13	18	53
Europe												
Germany, West	..	..	53	67	47	26	1,93	19	44	44	24	1,31
Irish Republic	..	..	19	1,18	2,15	98	4,50	19	66	2,14	1,08	4,07
Netherlands	..	..	14	29	29	33	1,05	16	20	18	26	80
Turkey	..	..	43	86	91	43	2,63	—	34	80	39	1,53
U.K.	..	..	8,35	25,78	32,04	11,78	77,95	6,37	23,05	33,98	14,13	77,53
Oceania												
Australia	..	..	31	46	44	35	1,56	26	29	34	16	1,05
New Zealand	..	..	6	10	17	11	44	7	5	16	8	36
Communist Bloc												
Czechoslovakia	..	..	—	—	7	—	7	—	—	—	—	—
Poland	..	..	17	41	14	5	77	—	—	—	—	—
U.S.S.R.	..	..	1,37	2,45	3,46	79	8,07	1,04	2,65	3,03	1,23	7,95
Other Countries	..	..	10	27	22	23	82	22	30	65	36	1,53
Total	..	..	16,49	39,72	49,40	23,00	1,28,61	12,21	34,14	50,74	25,52	1,22,61

Source : *Monthly Statistics of the Foreign Trade of India* issued by the Department of Commercial Intelligence and Statistics, Government of India.

STATEMENT 87

EXPORTS OF JUTE GOODS (BAGS AND CLOTH) TO PRINCIPAL COUNTRIES

(Lakhs of Rupees)

Countries	April- June 1959	July- Sept. 1959	Oct.- Dec. 1959	Jan.- March 1960	April 1959- March 1960	April- June 1960	July- Sept. 1960	Oct.- Dec. 1960	Jan.- March 1961	April 1960- March 1961
(Gunny Bags)										
Africa										
Egypt	67	33	72	40	2,12	1,05	1,42	1,71	14	4,32
Kenya	8	11	15	9	43	13	10	30	13	66
Mozambique ..	3	4	5	7	19	7	10	13	28	58
Nigeria	10	42	23	10	85	16	66	67	24	1,73
Sudan	2	21	1,45	22	1,90	16	9	88	27	1,40
Tanganyika ..	18	12	9	12	51	10	7	15	2	34
America, North										
U.S.A.	99	1,07	6	51	2,63	1,82	1,70	27	1,03	4,82
America, South										
Chile	15	21	9	9	54	19	37	28	21	1,05
Cuba	4	1,24	87	3	2,18	4	1,89	3,61	1,59	7,13
Peru	22	35	31	29	1,17	32	24	26	58	1,40
Asia										
Burma	15	32	94	35	1,76	6	12	20	39	77
Hongkong	10	8	4	10	32	23	33	4	—	60
Indonesia	71	86	1	1,06	2,64	20	50	50	4	1,24
Iraq	5	11	17	9	42	1	—	3	3	7
Philippines ..	12	11	13	10	46	2	15	34	13	64
Thailand	20	17	59	22	1,18	48	77	9	1,00	2,34
Europe										
Belgium	14	18	47	63	1,42	10	33	45	29	1,17
Germany, West ..	5	10	10	14	39	26	7	21	17	71
Netherlands ..	10	11	8	5	34	4	13	10	11	38
Turkey	7	7	2	6	22	18	17	2	1	38
U.K.	43	40	39	35	1,57	52	71	46	31	2,00
Oceania										
Australia	1,39	1,96	92	79	5,06	1,35	3,87	2,38	1,51	9,11
New Zealand ..	39	59	20	18	1,36	44	76	48	13	1,81
Communist Bloc										
China	36	2,96	1,44	13	4,89	2,01	45	20	—	2,66
Other Countries	2,12	1,71	2,77	2,50	9,10	3,27	3,40	249	83	9,99
Total(a)	8,86	13,83	12,29	8,67	43,65	13,21	18,40	16,25	9,44	57,30
(Gunny Cloth)										
Africa										
Egypt	—	4	56	17	77	18	7	37	—	62
America, North										
Canada	1,46	1,92	1,12	1,48	5,98	1,84	1,84	1,75	1,99	7,42
U.S.A.	8,85	7,28	8,22	8,19	32,54	9,12	8,71	11,78	10,13	39,74
America, South										
Argentina	87	4,15	1,65	1,79	8,46	2,06	2,07	21	—	4,34
Cuba	4	9	21	2	36	1	9	5	—	15
Uruguay	9	57	5	5	76	13	15	3	3	34
Asia										
Philippines ..	1	4	32	5	42	1	—	1	—	2
Europe										
Denmark	28	8	11	9	56	1	4	1	6	12
Germany, West ..	15	44	63	55	1,77	59	25	65	25	1,74
Turkey	17	13	7	10	47	35	43	17	—	95
U.K.	1,26	81	1,59	1,27	4,93	1,42	1,09	2,59	1,12	6,22
Oceania										
Australia	64	65	56	71	2,56	74	82	84	78	3,18
New Zealand ..	15	8	18	9	50	13	22	34	15	84
Communist Bloc										
China	7	51	—	—	58	89	42	—	—	1,31
U.S.S.R.	35	19	26	40	1,20	31	67	4	56	1,58
Other Countries	60	69	1,02	1,05	3,36	97	1,12	1,84	1,57	5,50
Total(a)	14,99	17,67	16,55	16,01	65,22	18,76	17,99	20,68	16,64	74,07

(a) Total figures in this Statement will not tally with figures for the item 'Jute Textiles' shown in Statement 85 on India's Exports of Principal Commodities owing to slight differences in coverage.

Source : *Monthly Statistics of the Foreign Trade of India* issued by the Department of Commercial Intelligence and Statistics, Government of India.

REPORT ON CURRENCY AND FINANCE, 1960-61

STATEMENT 88

EXPORTS OF COTTON PIECEGOODS TO PRINCIPAL COUNTRIES

(Lakhs of Rupees)

Countries	April- June 1959	July- Sept. 1959	Oct.- Dec. 1959	Jan.- March 1960	April 1959- March 1960	April- June 1960	July- Sept. 1960	Oct.- Dec. 1960	Jan.- March 1961	April 1960- March 1961
Africa										
Kenya	66	62	61	50	2,39	65	65	41	69	2,40
Nigeria	31	56	49	58	1,94	31	47	46	40	1,64
Sudan	47	2,26	4,14	69	7,56	51	76	1,78	1,20	4,25
Tanganyika	45	51	33	21	1,50	41	34	32	30	1,37
America, North										
Canada	35	31	42	31	1,39	49	42	35	19	1,45
U.S.A.	29	78	2,27	99	4,33	69	63	39	2	1,73
Asia										
Aden	47	47	73	53	2,20	60	63	55	47	2,25
Afghanistan	28	24	29	31	1,12	25	40	67	84	2,16
Burma	64	49	1,33	42	2,88	34	58	31	24	1,47
Ceylon	87	1,12	81	90	3,70	61	85	71	87	3,04
Malaya (including Singapore)	87	93	1,21	99	4,00	94	1,16	99	76	3,85
Europe										
Belgium	—	—	5	9	14	5	2	1	7	15
Germany, West	6	2	5	3	16	5	16	17	11	49
Netherlands	4	8	13	10	35	16	8	15	16	55
U.K.	1,94	3,30	4,24	4,44	13,92	4,32	3,83	3,92	3,20	15,27
Oceania										
Australia	86	1,44	1,55	1,28	5,13	1,05	1,69	1,06	65	4,45
Other Countries	2,98	2,49	2,36	2,72	10,55	2,61	1,51	2,34	4,38	10,84
Total (a) ..	11,54	15,62	21,01	15,09	63,26	14,04	14,18	14,59	14,55	57,36

(a) Total figures in this Statement will not tally with the figures for the item 'Cotton Textiles' shown in Statement 85 on India's Exports of Principal Commodities owing to slight differences in coverage.

Source : *Monthly Statistics of the Foreign Trade of India* issued by the Department of Commercial Intelligence and Statistics, Government of India.

REPORT ON CURRENCY AND FINANCE, 1960-61

STATE

STERLING TRANSACTIONS OF THE RESERVE BANK

		FORWARD CONTRACTS					
		Purchases (a)		Sales (b)		Net Purchases (+) Sales (-)	
		£ thousands	Rs. lakhs	£ thousands	Rs. lakhs	£ thousands	Rs. lakhs
1	1950-51 ..	344,098	458,80	21,526	28,73	+ 322,572	+ 430,07
2	1955-56 ..	98,150	130,87	4,985	6,64	+ 93,165	+ 124,23
3	1956-57 .	91,420	121,90	11,130	14,85	+ 80,290	+ 107,05
4	1957-58 ..	42,022	56,05	29,525	39,40	+ 12,497	+ 16,65
5	1958-59	44,226	58,97	17,610	23,50	+ 26,616	+ 35,47
6	1959-60 .	34,235	45,64	350	47	+ 33,885	+ 45,17
7	1960-61 ..	20,295	27,08	1,600	2,14	+ 18,695	+ 24,94
8	April 1959..	655	87	50	7	+ 605	+ 80
9	May " ..	1,150	1,53	75	10	+ 1,075	+ 1,43
10	June " .	935	1,25	50	7	+ 885	+ 1,18
11	July " ..	1,800	2,40	—	—	+ 1,800	+ 2,40
12	August " ..	2,245	2,99	—	—	+ 2,245	+ 2,99
13	September " .	6,815	9,09	—	—	+ 6,815	+ 9,09
14	October " ..	4,545	6,06	100	13	+ 4,445	+ 5,93
15	November " ..	5,635	7,51	25	3	+ 5,610	+ 7,48
16	December " ..	3,360	4,48	—	—	+ 3,360	+ 4,48
17	January 1960..	2,335	3,11	50	7	+ 2,285	+ 3,04
18	February " ..	1,325	1,77	—	—	+ 1,325	+ 1,77
19	March " ..	3,435	4,58	—	—	+ 3,435	+ 4,58
20	April " ..	3,125	4,17	—	—	+ 3,125	+ 4,17
21	May " ..	985	1,31	—	—	+ 985	+ 1,31
22	June " ..	2,720	3,63	—	—	+ 2,720	+ 3,63
23	July " .	2,555	3,41	—	—	+ 2,555	+ 3,41
24	August " ..	1,590	2,12	—	—	+ 1,590	+ 2,12
25	September " ..	935	1,25	1,175	1,57	— 240	— 32
26	October " ..	2,165	2,89	275	37	+ 1,890	+ 2,52
27	November " ..	905	1,21	150	20	+ 755	+ 1,01
28	December " ..	2,005	2,67	—	—	+ 2,005	+ 2,67
29	January 1961..	1,395	1,86	—	—	+ 1,395	+ 1,86
30	February " ..	725	97	—	—	+ 725	+ 97
31	March " ..	1,190	1,59	—	—	+ 1,190	+ 1,59

Note :—Rate for both forward and spot purchases is 1 sh. 6d. ; rates for forward and spot sales are 1 sh. 5-31/32d. and 1 sh. 5-63/64 d., respectively. Totals may not add up owing to rounding and conversion. (a) Include cancellations of forward sale contracts. (b) Include cancellations of forward purchase contracts.

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MENT 89

OF INDIA (EXCLUDING GOVERNMENT TRANSACTIONS)

DELIVERIES									
Spot Transactions				Against Forward Contracts				Total Deliveries	
Purchases		Sales		Purchases		Sales		Net Purchases(+)	Sales (-)
£ thousands	Rs. lakhs	£ thousands	Rs. lakhs	£ thousands	Rs. lakhs	£ thousands	Rs. lakhs	£ thousands	Rs. lakhs
1,075	1,43	88,092	117,56	216,974	289,30	730	97	+ 129,227	+ 172,20
10,015	13,36	68,404	91,29	97,230	129,65	—	—	+ 38,841	+ 51,72
4,360	5,82	213,003	284,25	65,140	86,83	800	1,07	- 144,303	- 192,67
2,800	3,73	129,298	172,53	51,627	68,83	14,425	19,26	- 89,296	- 119,23
12,046	16,05	38,367	51,20	47,437	63,23	10,755	14,36	+ 10,361	+ 13,72
23,999	32,01	18,227	24,32	37,309	49,73	130	18	+ 42,951	+ 57,24
9,830	13,10	60,862	81,22	21,480	28,63	1,250	1,66	- 30,802	41,15
50	7	6,100	8,14	1,945	2,59	80	11	4,185	- 5,59
—	—	3,135	4,18	1,524	2,03	—	—	- 1,611	2,15
—	—	4,702	6,27	735	98	—	—	3,967	- 5,29
—	—	3,394	4,53	940	1,25	—	—	- 2,454	- 3,28
395	53	10	1	2,585	3,45	—	—	+ 2,970	+ 3,97
2,515	3,35	20	3	5,090	6,79	—	—	+ 7,585	+ 10,11
3,600	4,80	—	—	5,500	7,33	—	—	+ 9,100	+ 12,13
3,440	4,59	75	10	4,760	6,34	—	—	+ 8,125	+ 10,83
5,779	7,71	59	8	5,755	7,67	—	—	+ 11,475	+ 15,30
2,100	2,80	335	45	4,305	5,74	50	7	+ 6,020	+ 8,02
3,730	4,97	60	8	1,620	2,16	—	—	+ 5,290	+ 7,05
2,390	3,19	337	45	2,550	3,40	—	—	+ 4,603	+ 6,14
230	31	8,980	11,98	945	1,26	75	10	- 7,880	- 10,51
35	5	5,172	6,90	375	50	—	—	- 4,762	- 6,35
100	13	9,978	13,32	1,225	1,63	—	—	- 8,653	- 11,54
125	17	9,515	12,70	770	1,02	—	—	- 8,620	- 11,49
105	14	5,482	7,32	1,940	2,59	—	—	- 3,437	- 4,58
600	80	6,690	8,93	2,455	3,27	—	—	- 3,635	- 4,85
225	30	2,195	2,93	3,085	4,11	450	60	+ 665	+ 89
—	—	4,730	6,31	1,090	1,45	280	37	- 3,920	- 5,23
1,355	1,81	1,970	2,63	2,400	3,20	120	16	+ 1,665	+ 2,22
1,415	1,88	300	40	3,190	4,26	—	—	+ 4,305	+ 5,74
2,690	3,58	265	35	2,480	3,31	—	—	+ 4,905	+ 6,54
2,950	3,93	5,585	7,45	1,525	2,03	325	43	- 1,435	- 1,91

STATEMENT 90

EXTERNAL ASSISTANCE : AUTHORISED AND UTILISED

		(Rupees crores)						
		1	2	3	4	5	6	7
		Aid authorised upto the end of First Plan	Aid utilised upto the end of First Plan	Aid undistributed as at the end of First Plan (1-2)	Aid authorised during the Second Plan	Total available for utilisation after 31st March 1956 (3+4)	Estimated utilisation during the Second Plan	Aid undistributed as at the end of March 1961 (5-6)
I. Loans and Credits								
A. Repayable in Foreign Currencies								
1.	I.B.R.D. Loans	57.7	33.8	23.9	265.3	289.2	222.6	66.6
2.	Loans from Foreign Countries							
(i)	From U.S.A.	90.3	90.3	—	109.9	109.9	36.1	73.8
(a)	Wheat Loan of 1951	90.3	90.3	—	—	—	—	—
(b)	Eximbank loans for import of machinery	—	—	—	104.0†	104.0	30.2	73.8
(c)	U.S. Banks' loan to Air India International	—	—	—	5.9	5.9	5.9	—
(ii)	From Canada	—	—	—	15.7	15.7	15.7	—
(a)	Wheat Loans	—	—	—	15.7	15.7	15.7	—
(iii)	From United Kingdom	—	—	—	122.6	122.6	121.8	0.8
(a)	Lazard Brothers' Credit (Durgapur)	—	—	—	15.3	15.3	15.3	—
(b)	E.C.G.D.I (Durgapur)	—	—	—	20.0	20.0	20.0	—
(c)	E.C.G.D. II (Capital goods)	—	—	—	38.0	38.0	38.0	—
(d)	E.C.G.D. III (")	—	—	—	25.3	25.3	25.3	—
(e)	U.K.—India Oil Pipe Line	—	—	—	4.0	4.0	3.2	0.8
(f)	E.C.G.D. IV (Capital goods)	—	—	—	13.3	13.3	13.3	—
(g)	E.C.G.D. V (")	—	—	—	6.7	6.7	6.7	—
(iv)	From West Germany	—	—	—	133.2	133.2	120.8	12.9@
(a)	Credit for Rourkela Steel Plant	—	—	—	74.8	74.8	62.4	12.9@
(b)	Credit for import of machinery etc.	—	—	—	19.0	19.0	19.0	—
(c)	West German credit of May 1960.	—	—	—	14.1	14.1	14.1	—
(d)	West German credit of November 1960.. .. .	—	—	—	14.1	14.1	14.1	—
(e)	West German credit of January 1961 (Rourkela Prolongation)	—	—	—	11.2	11.2	11.2	—
(v)	From Japan	—	—	—	27.6	27.6	16.0	11.6
(a)	18 billion Yen credit for import of capital goods	—	—	—	23.8	23.8	16.0	7.8
(b)	Loan for Orissa Iron Ore Project.. .. .	—	—	—	3.8	3.8	—	3.8

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										%	
(vi) From U.S.S.R.										75.2	308.5
(a) Credit for Bhilai Steel Plant										64.7	0.2
(b) Credit for Industrial Enterprises										64.7	51.3
(c) Credit for Manufacture of Drugs										59.5	9.5
(d) Credit for Barauni Oil Refinery										9.5	11.2
(e) Credit for Third Plan (I)*										11.9	176.8
(f) Credit for Third Plan (II)*										178.6	59.5
(vii) From Switzerland										59.5	10.9
Total A										10.9	485.1@
Total A										1,092.8	608.2
B. Repayable in Rupees										1,004.2	129.1
(i) From U.S.A.										244.5	115.4
(a) Loans from Development Loan Fund										219.4	76.9
(b) Asian Economic Development Fund Loan for Orissa Iron Ore Project										194.4	117.5
(c) Loans under T.C.A. (Excluding P.L. 665)										9.5	9.5
(ii) From Poland										40.6	38.5
(iii) From Yugoslavia*										14.3	2.1
(iv) From Czechoslovakia*										19.0	14.3
Total B										23.1	19.0
Total I (A + B) †										275.8	23.1
(i) From U.S.A.										300.9	115.4
(a) T.C.A. grants (Excluding P.L. 665).										1,280.0	185.5
(b) Ford Foundation										1,393.7	670.6@
(ii) From Colombo Plan Countries										54.5	14.4
(a) Canada										87.6	87.0
(b) Australia										10.5	77.7
(c) New Zealand										13.8	9.3
(d) United Kingdom										71.0	4.5
(iv) From Norway										82.0	11.0
(v) P.L. 480 Titles II and III										70.7	10.4
Total II ‡										7.8	7.4
(i) P.L. 480 (Gross)										3.1	2.9
(ii) P.L. 665 (")										0.4	0.2
(iii) Third Country Currency Assistance										0.1	—
Total III										2.1	1.5
Grand Total (I + II + III)										1.5	—
III. Other Assistance										38.0	38.0
(i) P.L. 480 (Gross)										225.0	198.1
(ii) P.L. 665 (")										1,113.0	515.5
(iii) Third Country Currency Assistance										26.8	26.8
Total III										2.9	2.5
Grand Total (I + II + III)										1,130.9	597.9
Grand Total (I + II + III)										2,761.4	1,466.5
Grand Total (I + II + III)										1,295.4@	

† Of this Rs. 23.8 crores is earmarked for use of the projects included in the Third Plan outlay.

* Earmarked for use of the projects included in the Third Plan outlay.

‡ Excludes loans and grants received by Government of India out of U. S. P. L. 480 and 665 funds.

@ Undisbursed amount in the case of W. German Kourkela credit has been raised by 5% to take into account the recent revaluation of D.M.

Notes : 1. The data presented here are not comparable with those incorporated in the balance of payments because of differences in source, coverage, etc.

2. Assistance under P.L. 480 and P.L. 665 are shown here on a gross basis representing the rupee credits raised against the value of goods received from time to time.

PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDITS

(Rupees cr.)

To Public or Private Sector		Aid authorised upto the end of First Plan	Aid utilised upto the end of First Plan	Aid un-disbursed as at the end of First Plan	Aid authorised during Second Plan	Total available for utilisation after March 31, 1956 (4+5)	Estimated utilisation during Second Plan	Aid un-disbursed as at the end of March 1961 (6-7)
1		2	3	4 (2-3)	5	6 (4+5)	7	8 (6-7)
I. Railway Development								
(i) I.B.R.D.								
..	Public	15.6	15.6	—	42.9	42.9	—	—
..	"	—	—	—	40.5	40.5	—	—
..	"	—	—	—	23.8	23.8	—	—
..	"	—	—	—	33.3	33.3	6.4	26.9
(ii) D.L.F.								
..	"	—	—	—	14.3	14.3	12.6	1.7
..	"	—	—	—	16.7	16.7	—	—
..	"	—	—	—	23.8	23.8	—	23.8
..	"	15.6	15.6	—	195.3	195.3	142.9	52.4
(iii) Total I								
Power Projects								
(i) I.B.R.D.								
..	Public	8.0	8.0	—	—	—	—	—
..	"	5.0	2.0	3.0	—	3.0	3.0	1.9
..	"	—	—	—	10.5	10.5	8.6	0.4
..	Private	6.6	2.1	4.5	—	4.5	4.1	0.4
..	"	—	—	—	4.7	4.7	4.3	0.4
..	"	—	—	—	11.9	11.9	4.4	7.5
..	"	—	—	—	38.2	38.2	4.8	33.4
..	"	19.6	12.1	7.5	65.3	72.8	29.2	43.6
(ii) D.L.F.								
..	"	—	—	—	—	—	—	—
(iii) Total II								
Steel and Steel Projects								
(i) I.B.R.D.								
..	Private	13.9	2.8	11.1	—	11.1	11.1	—
..	"	—	—	—	9.5	9.5	8.3	1.2
..	"	—	—	—	35.7	35.7	35.7	—
..	"	—	—	—	15.5	15.5	15.5	—
..	Public	64.7	—	64.7	—	64.7	64.5	0.2
..	"	—	—	—	74.8	74.8	62.4	12.9@
..	"	—	—	—	20.0	20.0	20.0	—
..	"	—	—	—	15.3	15.3	15.3	—
(ii) D.L.F.								
..	Public	—	—	—	8.6	8.6	7.4	1.2
..	"	—	—	—	10.5	10.5	9.2	1.3
..	"	—	—	—	9.5	9.5	3.7	5.8
..	"	78.6	2.8	75.8	199.4	275.2	253.1	22.6@
(iii) Total III								
Orissa Iron Ore Project								
..	Public	—	—	—	9.5	9.5	—	9.5
..	"	—	—	—	3.8	3.8	—	3.8
(b) Japan								

INDIA'S TRADE AGREEMENTS, 1960-61

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Country	Date of Agreement	Duration	Commodity Details	Other Particulars
1. Afghanistan	October 3, 1960	Validity of agreement of August 1, 1959 extended upto July 20, 1961.		
2. Burma	November 23, 1960		<i>Imports:</i> 2.0 lakh tons of rice	This is a special agreement and is additional to the five year trade agreement of September 1956 between India and Burma under which India had agreed to import four lakh tons of rice annually for five years.
3. Czechoslovakia	November 3, 1960	Valid from January 1, 1961 to December 31, 1963.	<i>Imports:</i> Chemicals, newsprint, diesel engines, industrial plants, machinery of various kinds (e.g. agricultural, textile, graphic etc.), sewing machines, precision tools, transport equipment, etc. <i>Exports:</i> Tea, coffee, spices, vegetable oils, iron ore, manganese ore, mica, leather, fish, cotton and jute textiles, shellac, chemicals, sewing machines, textile machinery, sports goods etc.	Payments relating to specified commercial and non-commercial transactions, e.g., exports, imports, freight, insurance, cultural tours, maintenance of legations etc. would be effected in non-convertible Indian rupees through special accounts opened for the purpose by the State Bank of Czechoslovakia with the Reserve Bank of India and an Indian commercial bank authorised to deal in foreign exchange. Balances at the expiry of the agreement would be used to import/export goods by either country or settled by mutual agreement.
4. France	March 7, 1961	Validity of agreement of October 19, 1959 extended upto March 14, 1962.		
5. Greece	April 1, 1961	Validity of agreement of July 1958 further extended upto December 31, 1961.		
6. Hungary	June 25, 1960	Valid from July 1, 1960 to December 31, 1963.	<i>Imports:</i> Power stations, flour mills, manufacturing plants, glass factories, different kinds of plant for small-scale industries, telecommunication equipment, etc. <i>Exports:</i> Tea, coffee, spices, opium, vegetable oils, iron ore, manganese ore, mica, cotton, coir and jute manufactures, shoes, sewing machines, diesel engines, textile machinery, sports goods, etc.	All payments of a commercial and non-commercial nature would be in non-convertible Indian rupees through special accounts opened and operated by the National Bank of Hungary on lines similar to those indicated in the agreement with Czechoslovakia.

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7. Indonesia	December 16, 1960	Validity of agreement of January 1953 further extended upto March 31, 1961.			
8. Italy	August 25, 1960	Validity of agreement of October 1, 1959 extended upto June 30, 1961.			
9. Morocco	September 26, 1960				<p><i>Imports:</i> Rock phosphate, lead, cork, asbestos fibre, etc.</p> <p><i>Exports:</i> Tea, spices, cotton textiles, diesel engines and pumps, engineering equipment, etc.</p> <p>The agreement would be initially valid for one year but comes into force when the proposed payments agreement, to provide for settlement in respect of goods to be exchanged, is concluded. The agreement also provides for appointing a joint Commission for representatives of the two parties to ensure the execution and smooth working of the agreement.</p> <p>This is a treaty of trade and transit in order to expand the exchange of goods, encourage collaboration in economic development and facilitate trade with third countries. The agreement envisages the continuation of common market arrangements between the two countries. Goods originating in either country and intended for consumption in the territory of the other shall be exempt from customs duties and other equivalent charges as well as from quantitative restrictions. However, Nepal is allowed to continue her existing import and export duties on goods imported from or exported to India having regard to her requirements of raising resources for her economic development. The agreement also provides that goods intended for import into or export from the territories of either country from or to a third country shall be accorded freedom of transit through the territories of the other party.</p> <p>This was the first six-monthly review of the March 1960 agreement, as provided therein. As a result of this review, a few commodities were added to the schedule for import/export without affecting the ceiling of self-balancing trade.</p>
10. Nepal	September 11, 1960	Valid from November 1, 1960 upto October 31, 1965 initially but renewable for further 5 years.	No commodity lists exchanged.	were	
11. Pakistan	November 24, 1960				

STATEMENT 92—(Contd.)
INDIA'S TRADE AGREEMENTS, 1960-61—(Contd.)

Country	Date of Agreement	Duration	Commodity Details	Other Particulars
11. Pakistan—(Contd.)	March 28, 1961.			This was an annual review of the March 1960 agreement which provided for self-balancing trade in selected commodities within a ceiling of Rs. 4.1 crores either way, over and above the normal trade between the two countries. In fixing the target for 1961-62, the ceilings agreed for the first year have been repeated, in addition to the carry-over of the balances of the first year, raising the total value of trade to about Rs. 12 crores.
12. Rumania	July 23, 1960			The agreement of May 1959 was modified to delete 'Zinc Ore' from the export list.
13. Tunisia	October 5, 1960	Valid from October 5, 1960 upto October 4, 1961.	<i>Imports:</i> Live animals, cheese, fruits, fish, rock phosphate, zinc, mercury, washed wool, etc. <i>Exports:</i> Tea, coffee, jute sack-ing, cotton, woollen and silk fabrics, pharmaceutical products, rubber tyres and tubes, electric fans, etc.	
14. United Arab Republic (Egyptian Region)	February 18, 1961		<i>Imports:</i> Rice <i>Exports:</i> Tea, jute goods and non-traditional items.	The agreement is with Misr Foreign Trade Company, Cairo. Payments for rice imports would be in non-convertible Indian rupees, which would be utilised for Egypt's purchases of specified Indian goods.

STATEMENT 93

TARIFF COMMISSION, 1960-61

Industry	Purpose	Main Observations of the Commission	Government's Action on the Recommendations
1	2	3	4
A. Tariff Inquiries :			
1. Automobile Hand Tyre Inflators	Continuance of protection	Protection granted to the automobile hand tyre inflators industry should be discontinued with effect from January 1, 1961.	Accepted.
2. Calcium Lactate	"	Protection granted to the calcium lactate industry should be discontinued from January 1, 1961.	Accepted.
3. Plywood & Teachests	"	Protection granted to the industry manufacturing plywood including plywood panels and battens for teachests should be discontinued from January 1, 1961. Domestic producers may however apply for reconsideration of their case for protection, if imports of foreign plywood due to the changes in import control in future, constitutes a threat to the industry.	Accepted.
4. Wood Screw	"	Protection granted to the wood screw industry should be discontinued from January 1, 1961.	Accepted.
5. Aluminium	"	(1) Protection granted to (i) aluminium ingots, bars, etc. and (ii) aluminium manufactures covered by Indian Customs's Tariff (items Nos. 66(1) and 66(a) respectively) should be continued for a further period of four years i.e. till 31st December, 1964. (2) The rate of protective duty should be reduced to 25 per cent <i>ad valorem</i> .	Accepted.
6. Automobile Spark Plugs	"	Protection granted to the automobile spark plugs industry should be continued at the existing rates of duty till December 31, 1963.	Not Accepted.
7. Ball Bearings	"	Protection granted to the ball bearings industry should be continued at the existing rates of duty for a further period of two years ending 31st December, 1962. Parts of ball bearings and adapter ball bearings upto 2" bore diameter should also be liable to the same rate of protective duty.	Accepted.
8. Bicycle	"	Protection granted to the bicycle industry should be continued at the existing rate of duty for a further period of three years ending 31st December, 1963.	Accepted.
9. Cotton Textile Machinery	"	Protection granted to the cotton textile machinery industry in respect of complete ring frames, spindles, spinning rings, fitted rollers and automatic looms should be continued at the existing rate of protective duty (10 per cent <i>ad valorem</i>) for a further period of three years ending 31st December, 1963.	Accepted.
10. Piston Assembly	"	Protection granted to the piston assembly industry should be continued at the existing rates of duty for a further period of three years till 31 December, 1963. Chromium plated rings should also be brought within this scheme of protection.	Accepted.

STATEMENT 93-(Contd.)

TARIFF COMMISSION, 1960-61

Industry	Purpose	Main observations of the Commission	Government's Action on the Recommendations
1	2	3	4
11. Power & Distribution Transformers	Continuance of protection	Protection granted to the power and distribution transformers industry should be continued at the existing rate of duty (i.e. 10 per cent <i>ad valorem</i>) for a further period of three years ending 31st December, 1963. Protective duty should also be made applicable to the power and distribution transformers upto 10,000 KVA and 132 KV on H.T. side and parts of such transformers, not otherwise specified.	Accepted.
12. Conductors-Bare Copper, Aluminium Steel Reinforced, All Aluminium	"	(1) Protection granted to the industry manufacturing A.C.S.R. (aluminium conductors steel reinforced) and A.A.C. (all aluminium conductors) should be continued at the existing rate of duty for a further period of three years, i.e. till 31st December, 1963. (2) Protection granted to the industry manufacturing bare copper conductors and electrolytic copper rods should be discontinued with effect from January 1, 1961. (3) There is no need to grant protection to the industry manufacturing cadmium copper conductors. (4) The duty payable on imported electrolytic aluminium ingots/bars and rods used in the manufacture of A.C.S.R. and A.A.C. should be reduced to 15 per cent <i>ad valorem</i> plus such countervailing excise duty as may be imposed from time to time.	Accepted. Accepted. Accepted.
13. Sheet Glass	"	Protection granted to the sheet glass industry should be continued at the existing level of duty (70% <i>ad valorem</i>) for a further period of two years, i.e. till December 31, 1962.	Accepted.
14. Engineers' Steel Files	"	(1) Protection granted to the engineers' steel files industry should be continued for a further period of three years, i.e. till December 31, 1963. (2) Protective duty on engineers' steel files covered by item 71(14) of the First Schedule to the Indian Tariff Act, 1934, should be reduced to 35 per cent <i>ad valorem</i> .	Accepted. Accepted.
B. Price Inquiries :			
1. Raw Rubber	To revise the Raw Rubber prices	(1) Change in the present practice of fixing prices <i>f.o.b.</i> Cochin is not necessary. (2) No special weightage in the price for small holdings is necessary. (3) Depreciation at the rate of Rs 9/- per 100 lbs. should be provided in the fair price for rubber on the condition that the continuance of this in full may be reviewed after two years, if it is found that growers do not make sufficient provision for replanting.	Accepted. Accepted. Accepted.

Noted by Government for suitable action in due course.

REPORT ON CURRENCY AND FINANCE, 1960-61

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|--|---|
| <p>(4) (i) Cess should be excluded from the Statutory prices, as this item is variable and does not strictly form part of the price</p> <p>(ii) Sales tax should be excluded from the Statutory prices, as the item is variable and does not strictly form part of the price.</p> | <p>Accepted. However, cess will continue to form a part of the statutory price till the Rubber Amendment Act is enforced.</p> <p>Not Accepted. Government desired that it will be in the interests of the producers and the manufacturers if the price is fixed inclusive of the sales tax.</p> |
| <p>(5) There is no need to fix the price of sole crepe.</p> | <p>Accepted.</p> |
| <p>(6) The price of R.M.A. (grade 1) rubber should be fixed at Rs 146/- per 100 lbs. or Rs 160.94 per 50 kilograms <i>f.o.b.</i> Cochin exclusive of sales tax and cess. The prices for other grades except that for preserved latex should be fixed according to the grade differentials in force at present. These prices should remain in force till 30th September, 1963.</p> | <p>Not accepted as any downward revision of the prices is likely to adversely affect the production.</p> |
| <p>(7) To determine the prices of latex of different concentrations the Commission suggested that the prices of latex concentrates (excluding the cost of container) be fixed on the basic price of R.M.A. (grade 1) by adding (a) premium of Rs 17.50 per 100 lbs. of D.R.C. for latex concentrates upto 35 per cent (b) a premium of Rs 33/- per 100 lbs. for latex concentrates between 36-50 per cent., and (c) a premium of Rs 43/- per 100 lbs. for concentrates over 51 per cent.</p> | <p>Accepted.</p> |
| <p>(8) The amount of subsidy required for replantation by the Rubber Board to implement effectively the programme of rehabilitation of plantations would be Rs 16/- per 100 lbs. at current costs. Of this Rs 9/- will be covered by depreciation, the balance (Rs 7/-) should be levied as a development cess to be recovered from the consumers in addition to the existing cess.</p> | <p>Accepted.</p> |
| <p>(9) The additional cess of Rs 7/- per 100 lbs. recommended above should be utilised to grant subsidies to those who require them for replantation with high yielding planting material.</p> | <p>Accepted. Necessary legislation to provide for additional cess has since been enacted.</p> |

STATEMENT 93 (Concld.)
TARIFF COMMISSION, 1960-61

Industry	Purpose	Main Observations of the Commission	Government's Action on the Recommendations																								
1	2	3	4																								
2. Ferro-Silicon	To fix the ceiling prices for the various grades of ferro-silicon produced by Mysore Iron and Steel Works, Bhadravati.	<p>(1) The ceiling prices of ferro-silicon produced by Mysore Iron & Steel Works should be F.O.R. Bhadravati as specified below:—</p> <table border="1"> <thead> <tr> <th data-bbox="235 434 258 607">Grades</th><th data-bbox="235 607 258 781">Price for the period</th><th data-bbox="235 781 258 954">July 1959-March 1960</th><th data-bbox="235 954 258 1128">April 1960 onwards</th></tr> </thead> <tbody> <tr> <td data-bbox="258 434 282 607">(1)</td><td data-bbox="258 607 282 781">Rs. per m. ton</td><td data-bbox="258 781 282 954">Rs. per m. ton</td><td data-bbox="258 954 282 1128">Rs. per m. ton</td></tr> <tr> <td data-bbox="282 434 305 607">75-80%</td><td data-bbox="282 607 305 781">(2)</td><td data-bbox="282 781 305 954">963</td><td data-bbox="282 954 305 1128">1024</td></tr> <tr> <td data-bbox="305 434 329 607">70-75%</td><td data-bbox="305 607 329 781"></td><td data-bbox="305 781 329 954">893</td><td data-bbox="305 954 329 1128">943</td></tr> <tr> <td data-bbox="329 434 352 607">60-70%</td><td data-bbox="329 607 352 781"></td><td data-bbox="329 781 352 954">721</td><td data-bbox="329 954 352 1128">763</td></tr> <tr> <td data-bbox="352 434 376 607">50-60%</td><td data-bbox="352 607 376 781"></td><td data-bbox="352 781 376 954">598</td><td data-bbox="352 954 376 1128">633</td></tr> </tbody> </table> <p>(2) That the Works be permitted to recover from its customers the difference between the prices in column 2 of the above table and the prices (including deposits of Rs 81.00 per ton) at which supplies were made during the period from 1st July, 1959 to 31st March, 1960. As regards supplies from 1st April, 1960, the Works should recover the difference between the prices in column 3 of the table and the prices (including deposits of Rs 81.00 per ton) at which supplies have already been made. For supplies in the future, the prices indicated in column 3 will be applicable till next review takes place in early 1963.</p>	Grades	Price for the period	July 1959-March 1960	April 1960 onwards	(1)	Rs. per m. ton	Rs. per m. ton	Rs. per m. ton	75-80%	(2)	963	1024	70-75%		893	943	60-70%		721	763	50-60%		598	633	Accepted.
Grades	Price for the period	July 1959-March 1960	April 1960 onwards																								
(1)	Rs. per m. ton	Rs. per m. ton	Rs. per m. ton																								
75-80%	(2)	963	1024																								
70-75%		893	943																								
60-70%		721	763																								
50-60%		598	633																								
3. Re-rolling and electric furnace billets	To revise the conversion charges for bars and rods and to fix the fair retention prices of electric furnace billets	<p>(1) The conversion charges payable to the Registered Rollers for untested bars and rods 5/8" and above should be Rs 122 per ton from 1st January, 1957; Rs 133 per ton from 16th May, 1957; Rs 130 per ton from 3rd August, 1957 and Rs 131 per ton from 1st January, 1958 to 31st December, 1960.</p> <p>(2) The conversion charges for bars and rods payable from 1st January, 1958 based on billet price of Rs 477 per ton should be adjusted for changes in the controlled prices of billets when such changes take place in future.</p> <p>(3) The fair ex-works retention price payable to the Registered Re-rollers for electric furnace billets (untested category) should be Rs 369 per ton from 1st January, 1957; Rs 410 per ton from 16th May, 1957; Rs 411 per ton from 8th July, 1957; Rs 409 per ton from 3rd August, 1957; Rs 413 per ton from 1st January, 1958; and Rs 415 per ton from 1st February, 1958 to 31st December, 1960.</p> <p>(4) The retention price of electric furnace billets should be adjusted for any changes in the prices of commercial quality mild steel melting scrap, turnings/borings scrap as well as the price of ferro-manganese.</p>	<p>Government accepted the conversion charges recommended by the Tariff Commission for the period 1-1-1957 to 30-6-1959. Due to the improved supply position, from 1st July, 1959 onwards, the Government allowed the difference between price of billets and bars and rods to be retained by the Registered Rollers as their conversion charges.</p> <p>Accepted.</p>																								

STATEMENT 94

CURRENT RATES OF EXPORT DUTIES

(As on March 31, 1961)

Item	Unit	Rate of Duty	Effective from
Tea	.. Kg.	nP. 44	March 1, 1961
Cotton raw	.. Bale of 400 lbs.	Rs. 25	November 17, 1958
Cotton waste(a) : soft	.. ..	15% <i>ad valorem</i>	November 29, 1957
„ : hard	.. ..	50% <i>ad valorem</i>	..
Jute raw : cuttings	.. Bale of 400 lbs.	Rs. 4.50	December 14, 1946
„ : other descriptions	.. „	Rs. 15.00	„
Mercury	.. Flask of 75 lbs.	Rs. 300	October 8, 1952
Rice (b)	.. Maund of 82 $\frac{1}{2}$ lbs.	nP. 14	July 12, 1957

(a) Cotton waste, soft as well as hard, when exported from the State of Pondicherry through the Port of Pondicherry is partially exempt from the payment of duty *i.e.* the rates of duty are 12 $\frac{1}{2}$ % and 47 $\frac{1}{2}$ % *ad valorem* respectively, on the two varieties.

(b) Includes husked and unhusked rice and rice flour but excludes rice bran and rice dust.

REPORT ON CURRENCY AND FINANCE, 1960-61

STATEMENT 95

INDIA CURRENCY IN CIRCULATION (a)

(Lakhs of Rupees)

Last Friday		Circulation			Increase (+) or Decrease (-) in Circulation (b)							
		Notes (c)	Rupree Coin(d)	Total (1+2)	Notes	Rupree Coin	Small Coin	Total (4+5+6)				
		1	2	3	4	5	6	7				
1950-51	..	1,204,24	130,02	1,334,26	+	83,89	+	2,86	-	3,20	+	83,55
1955-56	..	1,423,47	122,26	1,545,73	+	189,55	+	8,26	+	1,47	+	199,28
1956-57	..	1,482,92	117,88	1,600,80	+	59,45	-	4,38	+	45	+	55,52
1957-58	..	1,535,96	116,99	1,652,95	+	53,04	-	89	+	65	+	52,80
1958-59	..	1,658,36	121,42	1,779,78	+	122,40	+	4,43	-	33	+	126,50
1959-60	..	1,801,73	131,22	1,932,95	+	143,37	+	9,80	+	1,43	+	154,60
1960-61	..	1,941,57	141,69	2,083,26	+	139,84	+	10,47	+	2,88	+	153,19
April	1959	1,708,29	123,31	1,831,60	+	49,93	+	1,89	+	37	+	52,19
May	"	1,695,48	126,15	1,821,63	-	12,81	+	2,84	+	60	-	9,37
June	"	1,670,39	125,61	1,796,00	-	25,09	-	54	+	9	-	25,54
July	"	1,622,87	121,17	1,744,04	-	47,52	-	4,44	-	26	-	52,22
August	"	1,607,04	119,35	1,726,39	-	15,83	-	1,82	-	15	-	17,80
September	"	1,598,83	117,97	1,716,80	-	8,21	-	1,38	-	4	-	9,63
October	"	1,643,03	120,86	1,763,89	+	44,20	+	2,89	+	12	+	47,21
November	"	1,636,04	120,04	1,756,08	-	6,99	-	82	-	15	-	7,96
December	"	1,686,94	122,43	1,809,37	+	50,90	+	2,39	+	14	+	53,43
January	1960	1,724,27	125,37	1,849,64	+	37,33	+	2,94	-	8	+	40,19
February	"	1,755,81	128,50	1,884,31	+	31,54	+	3,13	+	21	+	34,88
March	"	1,801,73	131,22	1,932,95	+	45,92	+	2,72	+	57	+	49,21
April	"	1,840,42	133,05	1,973,47	+	38,69	+	1,83	+	86	+	41,38
May	"	1,817,82	135,78	1,953,60	-	22,60	+	2,73	+	89	-	18,98
June	"	1,792,82	134,24	1,927,06	-	25,00	-	1,54	+	19	-	26,35
July	"	1,750,83	130,66	1,881,49	-	41,99	-	3,58	+	6	-	45,51
August	"	1,733,42	129,07	1,862,49	-	17,41	-	1,59	+	14	-	18,86
September	"	1,746,87	128,67	1,875,54	+	13,45	-	40	-	5	+	13,00
October	"	1,751,01	130,64	1,881,65	+	4,14	+	1,97	-	1,42	+	4,69
November	"	1,767,80	130,44	1,898,24	+	16,79	-	20	-	55	+	16,04
December	"	1,825,81	133,87	1,959,68	+	58,01	+	3,43	+	44	+	61,88
January	1961	1,866,32	136,65	2,002,97	+	40,51	+	2,78	+	56	+	43,85
February	"	1,882,16	139,03	2,021,19	+	15,84	+	2,38	+	88	+	19,10
March	"	1,941,57	141,69	2,083,26	+	59,41	+	2,66	+	88	+	62,95

Note:—Figures relate to India currency (for data relating to India and *Hali Sica* currency see Statement 21)

(a) Includes India currency in circulation outside India. (b) The figures are not adjusted to take account of net inward or outward movements of currency. (c) Figures are net of the return of about Rs. 43 crores from Pakistan awaiting adjustment. (d) Estimated (for details see foot-note to Statement 86 of the Report for 1953-54).

STATEMENT 96

TOTAL NOTES ISSUED-BY DENOMINATIONS

End of March	(Rupees in Lakhs)														
	Rs. 2	Percent- age of (1) to (15)	Rs. 5	Percent- age of (3) to (15)	Rs. 10	Percent- age of (5) to (15)	Rs. 100	Percent- age of (7) to (15)	Rs. 1,000(a)	Percent- age of (9) to (15)	Rs. 5,000(a)	Percent- age of (11) to (15)	Rs. 10,000(a)	Percent- age of (13) to (15)	Total (1+3+5+ 7+9+11 +13)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
1956	31.92	2.2	176.76	11.9	609.88	41.2	591.00	39.9	55.17	3.7	9.78	0.7	6.28	0.4	1,480.80
1957	30.66	2.0	168.12	10.9	632.23	40.8	640.34	41.3	61.02	3.9	10.00	0.6	6.41	0.4	1,548.77
1958	30.38	1.9	164.37	10.3	645.58	40.5	688.30	43.2	48.77	3.1	10.01	0.6	6.38	0.4	1,593.78
1959	32.47	1.9	169.67	9.8	668.21	38.8	784.92	45.5	48.97	2.8	12.59	0.7	6.40	0.4	1,723.24
1960	36.07	1.9	184.85	9.9	729.10	39.0	841.42	45.0	52.20	2.8	13.04	0.7	13.07	0.7	1,869.74
1961	37.83	1.9	203.40	10.2	814.40	40.7	864.73	43.2	54.31	2.7	16.18	0.8	12.09	0.6	2,002.95

Note: Figures are inclusive of Rs. 43 crores of India notes retired from circulation in Pakistan. In compiling the Statement, circulation of old Re. 1/-, Rs. 2½/-, Rs. 20/-, Rs. 50/- and Rs. 500/- notes and adjustments in respect of inter-office remittances are not taken into account.

(a) Relate to the new high denomination notes issued from April 1954.

STATEMENT 97

MOVEMENTS IN CIRCULATION OF INDIA SMALL COIN (DENOMINATION-WISE)

Absorption (+) or Return (-)

(Thousands of Rupees)														
Half rupees(a)	Four anna pieces(b)	Two anna pieces(c)	One anna pieces	Half anna pieces(d)	Single pice(e)	Half pice	Pie pieces	Fifty Paise	Twenty- five Paise	Ten Paise	Five Paise	Two Paise	One Paise	Total
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1950-51	-1,00.54	-97.53	-60.09	-65.54	-3.78	-7.73	-7	3						-3,19.79
1955-56	+35.13	+59.81	+11.61	+23.74	+6.58	+9.69	-1	-1						+1,46.54
1956-57	+16.95	+20.99	+9.66	+26.04	+6.39	+19.14	-84	-3						+45.08
1957-58	+1.23	+15.47	-1,41.54	68.22	-10.24	-4.91	-64	-14						+64.91
1958-59	+5.37	+12.04	-1,59.93	93.92	-13.49	-6.96	-2	-10						+33.33
1959-60	+31.11	-83	-89.90	-1,32.62	-35.04	-3.91	2(f)	-1						+30.52
1960-61	+8.34	-23.45	-3,41.40	-1,00.14	-46.59	-2.48	-2	-13						+39.55
														+62.26
														+2,08.34

(a) Since the inauguration of the Reserve Bank in 1935, silver half rupees have been included in statistics relating to small coin; including pure nickel half rupees introduced in May 1946. (b) Including pure nickel four anna pieces introduced in May 1946. (c) Including nickel two anna pieces introduced in 1917-18. (d) Nickel half anna pieces introduced in January 1942. (e) Including single pice pieces with a circular hole issued from February 1943. (f) The rise is due to remittances in transit not having been taken into account.

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STATEMENT 98

MOVEMENTS IN CIRCULATION OF INDIA SMALL COIN (METAL-WISE)

ABSORPTION (+) OR RETURN (-)

(Lakhs of Rupees)

	1950-51	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61
I. Quaternary Silver							
8 Annas	-1,51	- 61	- 81	- 81	- 26	- 2	- 10
4 Annas	-1,34	- 48	- 65	- 58	1 5	- 5	- 23
Total Quaternary Silver Coin ..	-2,85	-1,09	-1,46	- 1,39	- 22	- 7	- 33
II. Pure Nickel							
8 Annas	+ 50	+ 96	+ 64	+ 80	+ 32	+ 33	+ 18
4 Annas	+ 41	+ 1,09	+ 87	+ 76	+ 9	+ 6	+ 2
50 Naye Paise							+ 71
25 Naye Paise						+ 1,02	+2,85
Total Pure Nickel Coin	+ 91	+2,05	+1,51	+1,56	+ 41	+1,41	+3,76
III. Nickel-Alloy (a)							
4 Annas	- 4	- 2	- 1	- 2	- 2	- 2	- 2
2 Annas	- 60	+ 12	- 10	-1,42	1,60	- 90	-3,41
1 Anna	- 66	+ 24	+ 26	68	- 94	-1,33	-1,00
½ Anna	- 4	+ 7	+ 6	10	- 13	- 35	- 47
10 Naye Paise				+1,20	+ 99	+1,26	+1,89
5 Naye Paise				66	+ 64	+ 69	+1,18
2 Naye Paise				+ 42	+ 30	+ 39	+ 69
Total Nickel-Alloy Coin	-1,34	+ 41	21	+ 7	- 76	- 26	-1,15
Total Nickel Coin (II+III)	- 43	+2,46	+1,72	+1,63	35	+1,15	+2,62
IV. Copper (b)							
Single Pice	+ 8	+ 10	+ 19	- 5	- 7	- 4	- 2
Half Pice	-	-	- 1	- 1	-	-	-
Pie Pieces	-	-	-	-	-	-	-
1 Naya Paisa				+ 48	+ 31	+ 40	+ 62
Total Copper Coin	+ 8	+ 10	+ 18	+ 42	+ 24	+ 36	+ 60
V. Total Small Coin (c)	- 3,20	+1,47	+ 45	+ 65	- 33	+1,43	+2,88

(a) Cupro-nickel and nickel-brass coins. (b) Including bronze coins.

(c) Including negligible amounts of standard silver small coins returned from circulation.

REPORT ON CURRENCY AND FINANCE, 1960-61

STATEMENT 99

MOVEMENTS IN CIRCULATION OF INDIA SMALL COIN (CIRCLE-WISE)

ABSORPTION (+) OR RETURN (-)

(Thousands of Rupees)

	Bangalore	Bombay	Calcutta	Kanpur	Nagpur	New Delhi	Madras	Total
1950-51		- 32,43	- 1,51,36	- 1,14,13		- 22,78	+ 91	- 3,19,79
1955-56		+ 94,03	+ 25,84	- 11,14		+ 2,53	+ 35,28	+ 1,46,54
1956-57	- 4,07	+ 47,24	+ 3,35	- 36,20	+ 10,95	+ 1,80	+ 22,01	+ 45,08
1957-58	+ 5,91	+ 93,08	+ 12,69	- 41,57	- 21,31	+ 7,77	+ 8,34	+ 64,91
1958-59	+ 10,81	+ 42,76	- 53	- 35,69	- 29,33	+ 15,14	- 36,49	- 33,33
1959-60	+ 19,35	+ 76,72	+ 17,90	- 24,10	+ 27,42	+ 9,31	+ 16,86	+ 1,43,46
1960-61	+ 27,19	+ 1,27,28	+ 1,02,71	- 17,36	+ 15,63	+ 9,93	+ 22,96	+ 2,88,34

STATEMENT 100

LOST, DESTROYED AND MUTILATED NOTES, 1960-61

	No. of claims admitted	No. of pieces	Amount of claims admitted Rs.	Amount paid against claims(a) Rs.
Lost or wholly destroyed notes	6	13	2,200	1,42,350
Half notes	4	5	3,200	—
Mutilated notes:—				
Registered (Denominations above Rs. 100) ..	109	252	2,58,200	1,64,200
Unregistered (Denominations of Re. 1 to Rs. 100)	99,352	5,26,295	69,62,158	58,22,442
Government of India one rupee notes ..		8,11,626	8,11,571	7,25,725

(a) Includes amount paid during 1960-61 in respect of claims admitted in previous years.

STATEMENT 101**NOTE FORGERIES (a)**

Year	Re. 1 (Government of India Notes)	Rs. 2	Rs. 5	Rs. 10	Rs. 100	Total	
						Number	Value Rs.
1950-51	.. 2,400	84	1,676	2,783	182	7,125	56,978
1955-56	.. 6,136	152	813	2,220	175	9,496	50,205
1956-57	.. 3,006	88	834	6,644	3,380	13,952	4,11,792
1957-58	.. 1,199	273	629	3,238	131	5,470	50,370
1958-59	.. 1,769	540	673	2,272	235	5,489	52,434
1959-60	.. 985	416	1,118	1,520	535	4,574	76,107
1960-61	.. 391	607	241	878	277	2,394	39,290

(a) Relate to notes received during the year.

STATEMENT 102**PROSECUTIONS ON ACCOUNT OF NOTE FORGERIES**

Year	Fresh Prosecu- tions	Pending at the end of the pre- vious year	Total Trials	Discharges	Convictions	Pending
1950-51	.. 48	43	91	38	28	25
1955-56	.. 47	30	77	14	12	51
1956-57	.. 40	51	91	14	13	64
1957-58	.. 45	64	109	40	16	53
1958-59	.. 54	53	107	27	21	59
1959-60	.. 53	59	112	31	32	49
1960-61	.. 44	49	93	28	25	40

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STATEMENT 103

MINTAGE OF INDIA RUPEES AND SMALL COIN

(Lakhs of Rupees)

	Bombay Mint		Alipore Mint		Total Coined		Grand Total
	Whole Rupees (a)	Small Coin (b)	Whole Rupees (a)	Small Coin	Whole Rupees (a) (1 + 3)	Small Coin (2 + 4)	
	1	2	3	4	5	6	7
1950-51 ..	2,80	1,08	—	5	2,80	1,12	3,92
1955-56 ..	—	5	—	2,55	—	2,60	2,60
1956-57 ..	—	1,39	—	2,50	—	3,89	3,89
1957-58 ..	—	1,73	—	1,99	—	3,72	3,72
1958-59 ..	—	1,72	—	1,61	—	3,33	3,33
1959-60 ..	—	2,18	—	1,78	—	3,97	3,97
1960-61 (c) ..	—	2,40	—	3,22	—	5,63	5,63

(a) Nickel rupees. (b) Including coins minted at the India Government Mint, Hyderabad (Dn.) from 1955-56, the value of these being Rs. 1,100 in 1955-56, Rs. 8,49,700 in 1956-57, Rs. 15,16,299 in 1957-58, Rs. 17, 54,300 in 1958-59, Rs. 15,24,600 in 1959-60 and Rs. 20,38,550 in 1960-61. (c) Provisional.

STATEMENT 104

MINTAGE OF INDIA COINS BY DENOMINATIONS, 1960-61

(Figures in Thousands)

Denomination	Bombay Mint		Alipore Mint		Total	
	Number	Value Rs.	Number	Value Rs.	Number	Value Rs.
Pure Nickel 50 Naye Paise ..	63,04	31,52	1,36,04	68,02	1,99,08	99,54
" " 25 " " ..	4,18,08	1,04,52	7,14,24	1,78,56	11,32,32	2,83,08
Cupro-Nickel 10 " " ..	3,60,05	36,01	2,97,55	29,76	6,57,60	65,76
" " 5 " " ..	5,69,50(a)	28,48(a)	4,58,10	22,91	10,27,60	51,38
" " 2 " " ..	7,21,25	14,43	6,81,35	13,63	14,02,60	28,05
Bronze One Naya Paisa ..	25,52,70(b)	25,53(b)	9,55,20	9,55	35,07,90	35,08
Total	46,84,62	2,40,49	32,42,48	3,22,43	79,27,10	5,62,89

(a) Including coins of the value of Rs. 6,93,250 minted at the India Government Mint, Hyderabad (Dn.).

(b) Including coins of the value of Rs. 13,45,300 minted at the India Government Mint, Hyderabad (Dn.).

STATEMENT 105**WITHDRAWAL OF SILVER, CUPRO-NICKEL AND
COPPER COINS, 1960-61**

I. Uncurrent Coin	Rs.
<i>Silver Rupees</i>	
Standard Silver Rupees	1,572·00
Defective Quaternary Rupees	2,015·00
Other uncurrent rupee coin (shroff marked, soldered etc.)	289·50
<i>Silver Small Coins</i>	
Silver $\frac{1}{2}$ Rupees	144·50
Silver $\frac{1}{4}$ Rupees	39·00
Silver $\frac{1}{8}$ Rupees	6·00
<i>Nickel and Nickel-Alloy Coins</i>	
Cupro-Nickel -/2/- pieces (a)	161,65,600·76
Nickel-Brass -/1/- pieces	96,95,925·32
Cupro-Nickel -/4/- pieces (a)	38,35,485·11
Half Pice	216·64
Pie pieces	15,173·22
Total of Uncurrent Coin	297,16,467·05
II. Current Coin	
<i>Quaternary Silver Coins</i>	
Quaternary Whole Rupees	111,40,898·00
Quaternary Half Rupees	40,50,193·00
Quaternary Quarter Rupees	23,06,049·00
<i>Nickel and Nickel-Alloy Coins</i>	
Nickel Rupees	32,45,379·50
Nickel $\frac{1}{2}$ Rupees	2,25,715·50
Nickel $\frac{1}{4}$ Rupees	3,68,856·25
Cupro-Nickel -/1/- pieces	30,98,637·18
Pure Nickel 25 Naye Paise	1,700·25
Cupro-Nickel 10 Naye Paise	14,636·00
Cupro-Nickel 5 Naye Paise	12,599·00
Cupro-Nickel 2 Naye Paise	11,093·02
<i>Copper and Bronze Coins</i>	
Double Pice	28·56
Single Pice	1,53,599·02
1 Naya Paisa	11,674·22
Total of Current Coin	246,41,058·50

(a) Includes withdrawn nickel-brass coins.

REPORT ON CURRENCY AND FINANCE, 1960-61

STATEMENT 106

NUMBER OF COUNTERFEIT COINS CUT AT TREASURIES AND RAILWAY STATIONS

			1950-51	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61
Silver Coins									
Rupees	..	..	9,200	5,056	5,587	5,240	4,109	4,010	2,060
Half Rupees	..	..	8,252	4,214	4,380	3,472	3,816	5,283	2,403
Quarter Rupees	..	..	13,642	4,871	4,139	5,020	6,789	5,550	2,515
One-eighth Rupees	..	.	4	—	—	—	—	—	—
Total	..		31,098	14,141	14,106	13,732	14,714	14,843	6,978
Nickel and Copper Coins									
Rupees	..	..	4,429	3,637	5,879	6,015	7,428	5,960	2,060
Half Rupees		..	12,886	5,438	7,517	8,021	10,682	12,504	10,626
Quarter Rupees	..	..	23,073	8,010	8,168	8,607	10,707	8,340	11,071
Two Annas	..	..	1,70,327	1,24,845	1,58,815	2,92,465	10,14,326	2,89,144	1,83,667
One Anna	..	..	23,820	8,430	11,241	18,252	80,378	1,91,882	40,787
Half Anna	..	..	1,771	1,158	607	1,479	4,746	24,070	12,824
Single Pice	..	..	—	—	—	—	—	378	10
Fifty Naye Paise	..	..							15
Twenty-five Naye Paise	..							147	580
Ten Naye Paise..	..	..				21	96	4,890	160
Five Naye Paise	..	..				5	22	264	14
Two Naye Paise	..	..				3	1	1	—
One Naya Paisa	..	..				—	—	30,225	17
Total	..		2,36,306	1,51,518	1,92,227	3,34,868	11,28,386	5,67,805	2,61,831

STATEMENT 107

DESCRIPTION OF COINS IN ACTIVE CIRCULATION AT THE END OF MARCH 1961

Denomination	Gross Weight (Grams)	Composition (Proportion of Metals)	Diameter	Edge	Remarks
Quaternary Alloy Rupee	180	Silver 50 per cent and rest base metal	1-2"	Round Coin	Milled and Security edged
" " Half Rupee	90	"	0-95"	"	"
" " Quarter Rupee	45	"	0-75"	"	"
Pure Nickel Rupee (a)	180	Nickel 100 per cent	1-1"	"	"
" " Half Rupee (a)	90	"	0-95"	"	Milled
" " Quarter Rupee (a)	45	"	0-75"	"	"
Cupro-Nickel Four Anna	105	75 per cent Copper and 25 per cent Nickel	0-925" Across Flats 1-000" Corners	"	Scalloped Coin
" " One Anna	60	"	{ 0-827" Maximum 0-7795" Minimum	"	"
Copper Double Pice	200	100 per cent Copper	1 21"	Round Coin	"
Copper Single Pice	100	100 per cent Copper	1-00"	"	"
Brouze (b) Single Pice	75	97 per cent Copper, 2½ per cent Zinc and ½ per cent Tin	1 00"	"	"
" " "	30	"	0 84"	"	(With circular hole)
" " "	60	"	0-84"	Plain	"
" " "	45	"	0-84"	"	"
DECIMAL COINS					
Pure Nickel Fifty Naye Paise (a)	5 00 (Grams)	Nickel 100 per cent	24 Millimetres Round Coin	Milled	
" " Twenty-five Naye Paise (a)	2-50 (Grams)	"	19 Millimetres Round Coin	"	
Cupro-Nickel Ten Naye Paise (a)	5-00 (Grams)	75 per cent Copper and 25 per cent Nickel	23 Millimetres Round Coin	Plain	Scalloped Coin
" " Five Naye Paise (a)	4-00 (Grams)	"	22 "	"	Square Coin with round corners
" " Two Naye Paise (a)	3-00 (Grams)	"	18 "	"	Scalloped Coin
Bronze One Naya Paise (a)	1-50 (Grams)	97 per cent Copper, 2½ per cent Zinc and ½ per cent Tin	16 " Round Coin	"	"

(a) These coins are being currently issued; the issue of the remaining coins has been discontinued. (b) The proportion of alloy for bronze coin was 95 per cent copper, 4 per cent tin and 1 per cent zinc upto February 1936; from February 1936 to end of 1942, it was 95-5 per cent copper, 3 per cent tin and 1-5 per cent zinc; from 1943 to date, it has been in the proportion of copper 97 per cent, tin 0-5 per cent and zinc 2-5 per cent.

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